



PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

CIN NO. L24231CH1975PLC003603

Regd. Office : SCO 183, First Floor, Sector 26, Madhya Marg, Chandigarh-160019, INDIA.
Tele: 0172-5008300/5008301, Fax: 0172-2790160, Email: info@punjabchemicals.com, Website: www.punjabchemicals.com

Ref : PCCPL/
Date: 08.08.2015

THRU' COURIER

The Manager Department of Corporate Services Bombay Stock Exchange Limited 1st Floor, New Trading wing, P.J Towers Dalal Street Fort MUMBAI-400 001	The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East) MUMBAI-400 051
Scrip Code: 506618	Scrip Symbol: PUNJABCHEM
Tel No: 022-22728073	Tel No: 022- 26598235/ 26598458

Re: Compliance of clause 16 and 31 of the Listing Agreement.

Dear Sir,

Pursuant to compliance of Clause 31 and other relevant clauses of the Listing Agreement applicable, if any, please find enclosed herewith six copies of 39th Annual Report containing Audited Accounts, Directors' Report, Auditors Report and notice of Annual General Meeting (AGM) duly certified for the financial year 2014-15 in respect of AGM to be held on 11th September, 2015.

As already informed that in compliance of Clause 16 of the Listing Agreement, Share Transfer Books of the Company shall remain closed from 4th September, 2015 to 11th September, 2015 for the purpose of AGM.

Please note that Form B required to be submitted along with the Annual Reports is also attached herewith.

You are requested to kindly take the above documents and information on your record.









Thanking you,
Yours faithfully,
For PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED,


CS. PUNIT K ABROL
SR.V.P. (FINANCE) & SECRETARY

Encl: a/a.

FORM B

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the company	Punjab Chemicals and Crop Protection Limited
2.	Annual financial statements for the year ended	Standalone and Consolidated financial statements for the financial year ended March 31, 2015.
3.	Type of Audit qualification	Standalone Financial Statements: Nil Consolidated Financial Statements: a) Qualified
4.	Frequency of qualification	Standalone Financial Statements: Nil Consolidated Financial Statements: a) Qualified Opinion: i) Audit qualification as given in the Independent Auditors' Report under the heading "Basis for Qualified opinion"- Frequency repetitive since financial year ended March 31, 2013.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report.	Qualifications in the Independent Auditors' Report to the Consolidated Financial Statements i) In the Independent Auditors' Report under the heading "Basis for Qualified opinion" ➤ Refer note 2.1.1 (d) of the consolidated financial statements for the year ended March 31, 2015. ➤ Refer point 21 (vi) (a) of Directors' Report for the management comments on auditor's qualification.
	Additional comments from the board/ audit committee chair:	None.
5.	To be signed by- For S R B C & Co. LLP Chartered Accountants ICAI Firm Registration Number: 324982E  Per Ravi Bansal Partner Membership Number: 49365 Statutory Auditor Place: Mumbai Date: May 28, 2015 	 Shalil Shroff (Managing Director) (DIN: 00015621)   Vipul Joshi (Chief Financial Officer)   Mukesh D. Patel (Audit Committee Chairman) (DIN: 00009605)  Place: Mumbai Date: May 28, 2015



COMPANY INFORMATION

CHAIRMAN EMERITUS	GHATTU RAMANNA NARAYAN (w.e.f May 28, 2015)
BOARD OF DIRECTORS	GHATTU RAMANNA NARAYAN (Chairman upto May 28, 2015)
	MUKESH DAHYABHAI PATEL, Chairman (w.e.f May 28, 2015)
	SHALIL SHASHIKUMAR SHROFF, Managing Director
	CAPT. SURJIT SINGH CHOPRA (Retd.)
	VIJAY DILBAGH RAI
	SINDHU SETH
	SHEO PRASAD SINGH, Additional Director (w.e.f February 11, 2015)
	AVTAR SINGH, Director (Operations & Business Development)
	SHIVSHANKAR SHRIPAL TIWARI, Additional Director (w.e.f May 28, 2015)
SR. V.P. (FINANCE) & COMPANY SECRETARY	PUNIT KUMAR ABROL
CHIEF FINANCIAL OFFICER	VIPUL JOSHI
BANKERS	STATE BANK OF INDIA
	BANK OF BARODA
	EXPORT-IMPORT BANK OF INDIA
	ALLAHABAD BANK
	UNION BANK OF INDIA
	CENTRAL BANK OF INDIA
AUDITORS	S R B C & CO. LLP
	Chartered Accountants
REGISTERED OFFICE	SCO: 183, FIRST FLOOR, SECTOR-26 (EAST)
	MADHYA MARG, CHANDIGARH - 160 019
CORPORATE OFFICE	PLOT NO. 645-646, 4TH/5TH FLOOR, OBEROI CHAMBERS II
	NEW LINK ROAD, ANDHERI (WEST), MUMBAI - 400 0 53
MANUFACTURING UNITS	AGRO CHEMICALS DIVISION - PCCPL, DERABASSI
	PHARMA DIVISION - ALPHA DRUGS, LALRU
	INDUSTRIAL CHEMICALS DIVISION, PUNE
REGISTRAR & SHARE TRANSFER AGENT	ALANKIT ASSIGNMENTS LTD.
	RTA DIVISION, ALANKIT HEIGHTS, 1E/13
	JHANDEWALAN EXTENSION, NEW DELHI - 110 055



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39th Annual General Meeting

Friday, 11th September, 2015 at 9.30 A.M.
at PHD House
Sector - 31, Chandigarh
Book Closure Dates
4th September, 2015 to 11th September, 2015

A Request

We are sure you will read with interest the Annual Report for the financial year 2014-15. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us atleast ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN : L24231CH1975PLC003603

Registered Office: SCO: 183, Sector- 26, Madhya Marg, Chandigarh- 160 019.

Tel No.:0172-5008300,5008301; Fax: 0172-2790160

E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com

NOTICE

Notice is hereby given that the thirty ninth (39th) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on **Friday, the 11th September, 2015 at 9:30 a.m. at PHD House, Sector- 31, Chandigarh** to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated financial statements of the Company for the financial year ended March 31, 2015 including the audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss for the financial year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Avtar Singh (DIN No. 00063569), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To ratify appointment of the Statutory Auditors and to fix their remuneration.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E), as the Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM to be held in the calendar year 2016 at such remuneration as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company."

Special Business:

4. **Appointment of Shri Sheo Prasad Singh (DIN: 06493455) as an Independent Director.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Shri Sheo Prasad Singh (DIN: 06493455), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 11, 2015 under Section 161(1) of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Shri Sheo Prasad Singh for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Rules framed thereunder (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sheo Prasad Singh, who has submitted a declaration that he meets the criteria of independence under Section 149 (6) of the Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years upto the conclusion of the 44th Annual General Meeting of the Company to be held in the calendar year 2020."

5. **Appointment of Shri Shivshankar Shripal Tiwari (DIN: 00019058) as a Director liable to retire by rotation.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the Rules framed thereunder, (including any statutory modifications or re-enactment(s) thereof for the time being in force), Shri Shivshankar Shripal Tiwari (DIN: 00019058), who was appointed by the Board of Directors as an Additional Director on the Board with effect from May 28, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and in respect of



whom, the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors viz. Smt. Pushpa Khanna, Cost Accountant, Chandigarh (Membership No. M5604) and M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No. 100123) appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the explanatory statement of this item annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses specified under Item Nos. 2 to 6 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 2, 4 and 5 of the Notice are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT (48) HOURS before the meeting.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Pursuant to the provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as

proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members/ proxies should bring the duly filled Attendance slip enclosed herewith to attend the Meeting.
8. The Register of Members and Share Transfer Books of the Company will be closed from September 4, 2015 to September 11, 2015 (both days inclusive) for annual closing.
9. Members seeking any information with regard to the Accounts are requested to write to the Company at least ten (10) days in advance, so as to enable the Management to keep the information ready at the meeting.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
11. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
12. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven (7) years from the date they become due for payment are required to be transferred to Investors Education & Protection Fund (IEPF), established by the Central Government and thereafter, no payment shall be made by the Company or by the IEPF in respect of such amounts.

The summary of the unpaid dividend for the past years and the date on which the outstanding amount shall be transferred by the Company to the IEPF is given in the table below:

FINANCIAL YEAR	DIVIDEND %AGE	TYPE	DATE OF DECLARATION	DUE DATE OF TRANSFER
2007-08	40	Final	29.08.2008	28.09.2015
2008-09	15	Final	25.09.2009	24.10.2016

Members, who have not encashed their dividend warrants pertaining to the aforesaid years, are requested to submit their claims to the Company or to the Registrar and Share Transfer Agent without any delay.

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with



companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 23, 2014 (date of last AGM) on the website of the Company (www.punjabchemicals.com) as also on the website of the Ministry of Corporate Affairs.

13. In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and Clause 35 B of the Listing Agreement, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting through poll/ ballot paper will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through poll/ ballot paper. **Members who cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.** Necessary information and instructions for e-voting is given separately.
14. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut off date viz. September 4, 2015 only shall be entitled to avail the facility of remote e-voting.
15. Shri S. K Sharma, Practicing Company Secretary (C.P. No. 3864) has been appointed as Scrutinizer for scrutinizing the remote e-voting process as well as voting process at the AGM in a fair and transparent manner.
16. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting through poll / ballot paper with the assistance of the Scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
17. The Scrutinizer shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, and submit it to the Chairman or a person authorized by Board. The Chairman or the authorized person shall declare the result of the voting forthwith.
18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.punjabchemicals.com and on the website of the CDSL after the same is declared by the Chairman/ authorized person. The Results shall also be simultaneously forwarded to the Stock Exchanges where the shares of the Company are listed.
19. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company situated at SCO: 183, First Floor, Sector - 26, Chandigarh-160 019 on all working days, except Saturdays, during business hours upto the date of the Meeting.
20. Members are requested that the Registrar and Share Transfer Agent of the Company -M/s Alankit Assignments Ltd. be immediately intimated of any change in their addresses, e-mail Ids, contact numbers, bank details, ECS mandate, Nomination, etc. in respect of the equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Alankit Assignments Ltd., Registrar and Share Transfer Agent.
22. Members holding shares in single name in physical form are advised to make nomination in respect of their share holding in the Company.
23. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent, for consolidation into a single folio.
24. Electronic copy of the Annual Report for FY 2014-15 is being sent to all the Members whose email-IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2014-15 are being sent through the permitted mode. Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website www.punjabchemicals.com for their download.
25. **With a view to use natural resources responsibly, we request Members to update their e-mail address, with their Depository Participants to enable the Company to send communications electronically.**

By order of the Board of Directors
Sd/-

Date: June 18, 2015
Place: Chandigarh

Punit K Abrol
Sr. V.P. (Finance) & Secretary

Registered Office:
SCO: 183, First Floor,
Sector-26, Madhya Marg
Chandigarh- 160019



EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

The following statement sets out all material facts relating to the businesses mentioned in the accompanying Notice:

ITEM NO. 2:

Shri Avtar Singh (DIN:00063569) is a Whole Time Director of the Company. The Central Government has accorded its approval for the re-appointment of Shri Avtar Singh vide letter no. SRN No. C04563003/2014 - CL-VII dated December 15, 2014 for a period of 5 (five) year from November 14, 2012 to November 13, 2017. His Directorship on the Board of the Company is subject to liable to retire by rotation. Pursuant to Article 173 (b) of the Articles of Association, a Whole Time Director re-appointed as a Director immediately on retirement by rotation, shall continue to hold his office of Whole Time Director, and such re-appointment of Director shall not be deemed to constitute a break in his appointment as Whole Time Director.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (the 'Act'), he is due to retire by rotation at this Annual General Meeting and he, being eligible, offers himself for re-appointment as Director on the Board of the Company.

A brief profile of Shri Avtar Singh, the nature of his expertise, and the names of companies he holds directorships along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship between the directors inter-se is annexed to this notice.

The Board recommends the re-appointment of Shri Avtar Singh as a Director, liable to retire by rotation, on the Board of the Company.

None of the Directors, except Shri Avtar Singh or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 3:

S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E) were appointed as Statutory Auditors for a period of three (3) consecutive years by the Members of the Company to hold office until the conclusion of the Forty first (41st) Annual General Meeting (AGM). As per the provisions of Section 139 of the Companies Act, 2013 (the 'Act') the said appointment is required to be ratified by the Members at every AGM.

S R B C & Co. LLP, Chartered Accountants have confirmed that the appointment, if ratified, shall be in accordance with the conditions as prescribed in Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

Pursuant to the recommendation of the Audit Committee, your Board recommends the ratification of the appointment of S R B C & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM to be held in the calendar year 2016 at such remuneration as recommended by the Audit Committee and fixed by the Board of Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

ITEM NO. 4:

Shri Sheo Prasad Singh (DIN : 06493455) was appointed as Additional Director on the Board of the Company effective February 11, 2015 pursuant to Section 161 of the Companies Act, 2013 (the 'Act') read with Article 133 of Articles of Association of the Company on the recommendation of Nomination and Remuneration Committee.

Pursuant to the provisions of Section 161 of the Act, Shri Sheo Prasad Singh will hold office upto the date of this Annual General Meeting (AGM), but is eligible for the appointment as a Director. The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Independent Director, to be appointed under the provisions of Section 149 of the Act.

A brief profile of Shri Sheo Prasad Singh, the nature of his expertise, and the names of companies he holds directorships along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship between the directors inter-se is annexed to this notice.

The Company has received from Shri Sheo Prasad Singh (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of



Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Act.

The resolution seeks the approval of members for the appointment of Shri Sheo Prasad Singh as an Independent Director of the Company for a term of five (5) consecutive years upto the conclusion of the 44th AGM of the Company to be held in the calendar year 2020 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Shri Sheo Prasad Singh fulfills the conditions for appointment as Independent Director as specified in the Act and the Rules framed thereunder and the Listing Agreement and he is independent of the Management.

A copy of the draft letter for the appointment of Shri Sheo Prasad Singh as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on any working days, excluding Saturday and Sunday between 11.00 a.m. and 1.00 p.m. till the date of AGM and also posted on the website of the Company.

Shri Sheo Prasad Singh is interested in the Resolution to the extent as it concerns his appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members

ITEM NO. 5:

Shri Shivshankar Shripal Tiwari (DIN: 00019058) was appointed as Additional Director on the Board of the Company effective May 28, 2015 pursuant to Section 161 of the Companies Act, 2013 (the 'Act') read with Article 133 of Articles of Association of the Company on the recommendation of Nomination and Remuneration Committee.

Pursuant to the provisions of Section 161 of the Act, Shri Shivshankar Shripal Tiwari will hold office upto the date of this Annual General Meeting (AGM), but is eligible for the appointment as a Director. The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director.

A brief profile of Shri Shivshankar Shripal Tiwari, the nature of his expertise, and the names of companies he holds directorships along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship between the directors inter-se is annexed to this notice.

The Company has received from Shri Shivshankar Shripal Tiwari (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Act.

Copy of the above referred documents shall be open for inspection without any fee by the members at the Company's Registered Office during normal business hours on any working days, excluding Saturday and Sunday between 11.00 a.m. and 1.00 p.m. till the date of AGM.

The resolution seeks the approval of the members for the appointment of Shri Shivshankar Shripal Tiwari as a Director on the Board of the Company, liable to retire by rotation.

Shri Shivshankar Shripal Tiwari is interested in the Resolution to the extent as it concerns his appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

ITEM NO.6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 as per the following details:

Sr. No.	Name of the Cost Auditor	Industry	Audit fees (Amount in Rs.)
1.	Smt. Pushpa Khanna, Cost Accountants, Chandigarh (Membership No. M5604)	Insecticides	36,000 plus service tax and out of pockets expenses.
2.	M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No.100123)	Bulk Drugs	27,500 plus service tax and out of pockets expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.



Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

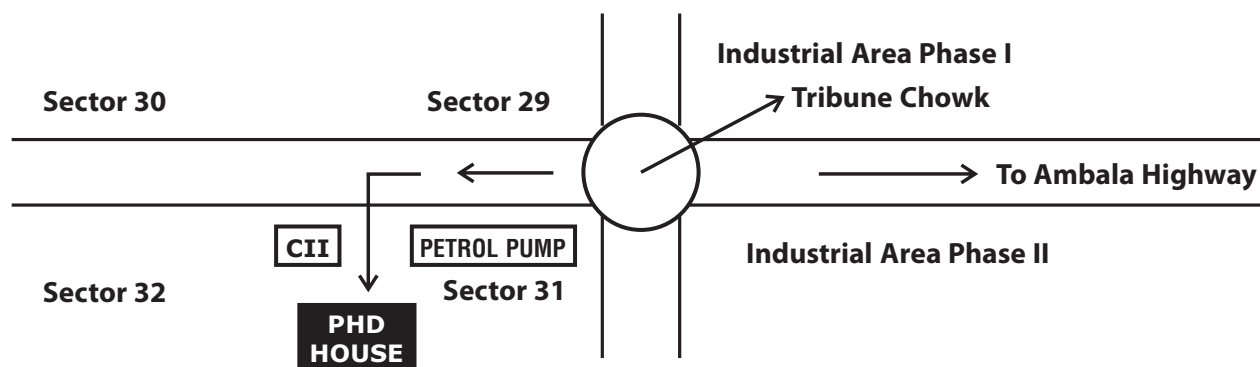
The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

ANNEXURE TO ITEM NO. 2, 4 AND 5

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Name	Avtar Singh	Sheo Prasad Singh	Shivshankar Shripal Tiwari
DIN	00063569	06493455	00019058
Date of Birth	October 4, 1958	April 28, 1952	August 30, 1953
Date of appointment on the Board	November 14, 1996	February 11, 2015	May 28, 2015
Expertise in specific functional area	He is a Whole Time Director and incharge of Agro Chemicals Division, Derabassi and Pharma Division, Lalru in District Mohali, Punjab. His expertise is in Research & development, production and marketing of chemicals. He is also involved in setting up and maintenance of plants in these sites.	Commercial Banking including, Treasury, Direct/Indirect Taxation, management of Superannuation Funds	He is experienced in managing the chemical plants, production, manpower and domestic commercial market of chemicals.
No. of equity shares held in the Company (as on 31st March, 2015)	7911	Nil	11714
Qualification	B.Sc	Msc., CAIIB, PGDFRM, PGDFA	M.Sc., Post graduate Diploma-Business Management
List of other public directorships	Saurav Chemicals Limited	Nil	Nil
Membership/ Chairman of Committees of other Companies	Audit Committee: 1. Saurav Chemicals Limited (Member)	Nil	Nil
Relationship, if any, between Directors inter-se	No	No	No

ROUTE MAP TO THE AGM VENUE





DIRECTORS' REPORT

Dear Members,

1. Your Directors have pleasure in presenting the Thirty Ninth (39th) Annual Report, on the business and operations of the Company. The Annual Report includes Audited standalone and consolidated financial statements for the financial year ended on March 31, 2015.

2. FINANCIAL HIGHLIGHTS:

The summarized financial statement for the year under review is given below:

(Rupees in Lacs)

Particulars	Consolidated*		Standalone	
	2014-15	2013-14	2014-15	2013-14
Sale of Products & Other Income (Net)	58804	53232	42028	43314
Profit / (Loss) before Interest, Depreciation & Tax & Exceptional item	7053	5851	5501	5188
Less: Depreciation/ Amortisation	1917	1616	1758	1484
Less: Finance Cost	3472	3465	3170	3248
Profit / (Loss) before Tax & Exceptional item	1664	770	573	456
Less : Exceptional item	217	338	217	338
Profit / (Loss) before Tax	1447	432	356	118
Less: Provision for Taxation				
Current tax	63	-	-	-
Deferred Tax	-	-	-	-
Profit / (Loss) after Tax	1384	432	356	118
Share of profits in associate for current year	36	110	-	-
Share of losses of associate for earlier years	-	(446)	-	-
Net Profit / (Loss)	1420	96	356	118
Carried Forward to next year	1420	96	356	118

* Consolidated accounts consist of standalone and overseas subsidiary Companies.

Notes:

a) Previous year figures under different heads have been regrouped to the extent necessary.

3. DIVIDEND:

In view of accumulated losses, the Directors regret their inability to recommend any dividend.

4. TRANSFER TO RESERVES:

The profit in the standalone results have been carried over to next year in view of accumulated losses of the earlier years. Therefore, no amount could be transferred to General Reserve Account.

5. STANDALONE OPERATIONS:

The operational results for the year under review have improved. The efforts of the company to correct the situation, proved meaningful but because of the losses which have to be absorbed due to the correction, the difference was marginal.

The disposal of non-profitable businesses and non-core assets reduced the operational and fixed expenses, reduced the debt burden and made the working capital more relevant to the remaining businesses. The Company is now focused on its core business of manufacturing technical agrochemicals.

Better operations due to improved raw material efficiencies, implementation of cost saving measures and better working capital management in the Agro Chemicals Division have nurtured the Company back to a positive cash flow situation.

The outcome of the efforts of the Management is evident from the results of the financial year 2014-15. The total income on standalone basis during period under review increased to Rs. 420.28 crores against the total income of Rs. 391.89 crores (excluding income of sold out business and leased unit) in the previous year. The net profit has risen to Rs. 3.56 crores from a marginal profit of Rs. 1.18 crores in the previous year.

It may be noted that to restructure the manpower in the Agrochemicals unit at Derabassi, the company offered



"Voluntary Retirement Scheme" (VRS) to the employees. 36 employees voluntarily opted for retirement and this reduced the operation costs. The expense on this account has been booked under exceptional item and the result of this onetime cost will be evident in the savings in the years to come.

6. OPERATIONS OF OVERSEAS SUBSIDIARIES:

Your Company has three overseas subsidiaries namely-SD AgChem (Europe) NV, Sintesis Quimica, S.A.I.C, Argentina, and STS Chemicals (UK) Ltd. During the year under review, the operations of the overseas subsidiaries were as follows:

- (i) The performance of SD Agchem (Europe) NV has improved due to the improved business environment. The total income of this subsidiary was Rs. 25.93 crores with net profit of Rs. 6.52 crores, in the period under review.

SD Agchem (Europe) NV, the wholly owned subsidiary of the Company in Belgium disposed off its 20% shareholding in Source Dynamics, LLC to Yongnong Biosciences Co. Ltd., China to reduce part of its long term liability.

- (ii) Sintesis Quimica, S.A.I.C, Argentina (SQ) have shown slightly improved performance due to initiation of the job work of various multinational companies. This arrangement has reduced working capital requirement. The matters of concern in this subsidiary Company is old debt and challenge to meet the requirement of funds to pay installment under the debt restructuring arrangement of Chapter XI.

In the period under review, the total revenue of this subsidiary stands at Rs. 148.02 crores with a net profit of Rs. 1.73 crores.

- (iii) STS Chemicals (UK) Limited does not have any operations, hence not considered for the purpose of preparation of the Consolidated Financial Statements. The non-inclusion of the same in the Consolidated Financial Statements has no significant impact on the financial position and on the operating results of the group.

The salient features of financial statements of subsidiaries/ associates/ joint ventures as per Section 129 of the Companies Act, 2013 forms part of the Annual Report.

The Company will make available separate audited financial statements of the subsidiaries to any Member upon request. These financials are however, posted on the website of the Company and will also be available for inspection by any Member at the Registered Office.

The Company has also formulated a policy for determining material subsidiaries as approved by the Board of Directors and may be accessed on the Company's weblink <http://punjabchemicals.com/companypolicy.html>

7. CONSOLIDATED RESULTS:

The consolidated accounts during the period under review show that the total income has increased to Rs. 588.04 crores with a net profit of Rs. 14.20 crores as against the total income of

Rs. 532.32 crores and net profit of Rs. 0.96 crores in the previous period.

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on Company's performance, industry trend and other material changes with respect to the Company and subsidiaries have been given separately in the Annual Report.

9. STATE OF AFFAIRS OF THE COMPANY:

The State of Affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this Annual Report.

10. OUTLOOK:

The global economic environment in recent years has been challenging with uncertainty. It is believed that the growth engine for the global economy would be shifted from west to China and India, the emerging manufacturing and consumption hubs. However, any significant change will be a long drawn process.

Therefore, in the given scenario, barring the uncertainties that loom over the industry, the Company expects a good business performance in the agrochemicals sector in the next year. The steps being taken by the government to give more impetus to agriculture sector and promoting the manufacturing sector through "Make in India" programme should further help the Company.

The new opportunities of toll manufacturing of Pharma intermediates and other specialized and general chemicals are being explored for both the divisions in Punjab.

The Management of the Company is optimistic about the current business prospects and will take requisite steps as and when required.

11. FINANCE:

As explained earlier, the Company has taken several measures to prune the overall debt burden by entering into Corporate Debt Restructuring Scheme, disposing off the non-profitable business and non-core assets and putting back the cash from the inflows into making the operations of the Company more viable.

The Company, during the period under review has paid the installments and interest which was due to the Banks, except Working Capital Demand Loan, which is partially paid from the sale of few non-core assets. The Company has not raised any additional borrowing during the year.



The Company's proposal for One Time Settlement (OTS) with State Bank of India (SBI) has been accepted by the bank. As per the terms of OTS, the Company has to pay Rs. 4,550 lacs and sale proceeds from 1,50,000 shares of the Company, pledged exclusively with SBI by one of the promoters against total outstanding dues of Rs. 9,485 lacs (including interest). Out of the said amount, Rs. 1,138 lacs has been paid by the Company before March 31, 2015. The said OTS is subject to fulfilment of conditions. The necessary adjustment in the books of account will be carried out after compliance of all conditions as specified in said OTS.

12. PUBLIC DEPOSITS:

The Company has not accepted or renewed any fixed deposits from the public since the last two financial years.

As per the provisions of the new Companies Act, 2013, the Company has repaid all the public deposits in time. Accordingly, there are no outstanding deposits as on March 31, 2015.

The management would like to sincerely thank all the depositors of the Company for their faith and confidence in the Company for many years.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Changes in the composition of the Board of Directors and other Key Managerial Personnel:

- i) During the year, Export Import Bank of India withdrew the nomination of Shri Sheo Prasad Singh (DIN: 06493455) as a Director from the Board of Directors of the Company and accordingly, he ceased to be the Nominee Director of Export-Import Bank of India on the Board of the Company w.e.f. December 1, 2014. The Board of Directors while taking note of this withdrawal placed on record its deep sense of appreciation for the services rendered by him during his tenure in the Company.
- ii) Shri Ghattu Ramanna Narayan (DIN: 00020575) stepped down as the Chairman during the meeting and as Director after the conclusion of the Board Meeting held on May 28, 2015 due to his age and to spend time to serve the people and society. The Board respected his decision. The Board of Directors placed on record its deep sense of gratitude for his vision, leadership and guidance during the long association of around 18 years with the Company. The Board acknowledged that his professional guidance and insight on critical corporate strategies to manage the Company was very valuable. The Board also appreciated his contribution in the growth of the Company with his versatile experience, knowledge, management leadership, advising the Board and the Managing Director during the difficult time in the Company.

The Board of Directors took note of the recommendation of the Nomination and Remuneration

Committee to seek his expert advice on a regular basis and appointed him as "Chairman Emeritus".

All the Directors appreciated this recommendation and felt that he will be an excellent guide to the PCCPL Family. Accordingly, the Directors unanimously approved the said proposal.

- iii) Acknowledging the contribution of Shri Mukesh Dahyabhai Patel (DIN:00009605), Independent Director, in the working of the Board, Committees and in the Company, his suggestions on various strategic matters and active participation, the Board of Directors, at its Meeting held on February 11, 2015 appointed him as the Vice Chairman of the Company.

The Board unanimously appointed Shri Mukesh Dahyabhai Patel as the Chairman of the Board in its meeting held on May 28, 2015 after Shri Ghattu Ramanna Narayan stepped down as the Chairman of the Board. All the Directors assured him full co-operation and congratulated him on this elevation and wished him all the success during his tenure as the Chairman in the Company. He thanked the Board Members for this recognition and assured to fulfill his duties and discharge responsibilities sincerely as the Chairman of the Company.

- iv) Shri Shivshankar Shripal Tiwari (DIN: 00019058) resigned as a Whole Time Director w.e.f. April 6, 2015 upon completing the term for which his remuneration was approved by the Central Government and resigned as a Director of the Company w.e.f. May 28, 2015 due to personal engagements. The Board after consideration accepted his resignation in its meeting held on May 28, 2015. The Board placed on record its deep sense of appreciation and gratitude for the services and contribution rendered by him during his tenure as a Whole Time Director and Director since 2006 in the Company. The Board appreciated his extraordinary contribution for the expansion of various businesses in the Company during his long association with the Company.
- v) The Nomination and Remuneration Committee keeping in view the versatile experience and expertise in the banking matters, recommended to the Board to appoint Shri Sheo Prasad Singh as an Additional Director w.e.f. February 11, 2015. The Directors unanimously resolved to appoint him as an additional Director on the Board of the Company. Pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, he shall hold office up to the date of the ensuing Annual General Meeting. The Nomination and Remuneration Committee and the Board of Directors also decided to recommend him as Independent Director in place of Shri Ghattu Ramanna Narayan, who resigned in the said meeting. Shri Sheo Prasad Singh fulfills the



criteria of Independence as prescribed in the Companies Act, 2013 and the Listing Agreement. A requisite notice in writing alongwith deposit from a member proposing him as a Non-Executive Independent Director has been received and his appointment is being placed before the Members in the ensuing Annual General Meeting. Your Board of Directors feel that his specialized knowledge and experience will add value to the Company. Therefore, recommended his appointment as an Independent Director for a period (5) consecutive years upto the conclusion of the 44th Annual General Meeting of the Company to be held in the calendar year 2020.

- vi) The Nomination and Remuneration Committee recommended to the Board to appoint Shri Shiv Shankar Shripal Tiwari as an Additional Director w.e.f. May 28, 2015. The Board appreciated his services in the Company and unanimously resolved to appoint him as an Additional Director in the Company. Pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, he shall hold office up to the date of the ensuing Annual General Meeting. A requisite notice in writing alongwith deposit from a member proposing him to appoint as a Non-Executive Director has been received and his appointment is being placed before the Members in the ensuing Annual General Meeting. Your Board of Directors feels that his experience and versatile knowledge in the business of the Company will be helpful to the Company, therefore, recommends his appointment as Director liable to retire by rotation.

There was no other appointment or cessation of Key Managerial Personnel during the financial year.

b) Independent Directors:

The Companies Act, 2013, provides for the appointment of Independent Directors. Sub Section (10) of Section 149 provides that Independent Directors shall hold office for a term of upto five (5) consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Accordingly, three Independent Directors namely Shri Ghattu Ramanna Narayan, Shri Mukesh Dahyabhai Patel and Shri Vijay Dilbagh Rai were appointed by the shareholders in the last Annual General Meeting. Further, Shri Ghattu Ramanna Narayan has resigned as the Chairman and Director of the Company. Therefore, the Board of Directors have decided to recommend at the Annual General Meeting to appoint Shri Sheo Prasad Singh who meets with the criteria of Independent Director to be appointed as the Independent Director of the Company for a period of five years.

None of the Independent Directors will retire at the ensuing Annual General Meeting.

c) Retirement by rotation:

In terms of Section 152 of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Shri Avtar Singh (DIN: 00063569), Whole Time Director would retire by rotation at the forthcoming Annual General Meeting. Shri Avtar Singh, being eligible, has offered himself for re-appointment.

It may be noted that as per clause 173 (b) of the Articles of Association of the Company, a Whole Time Director immediately on retirement by rotation, shall continue to hold his office of Whole Time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole Time Director, therefore, the Board recommends his appointment.

The Board of Directors recommends the appointment/ re-appointment of above mentioned Directors.

The brief resume and other details relating to the directors, who are to be appointed/re-appointed, as stipulated under Clause 49 (VIII) (E) of the Listing Agreement, are furnished in the Corporate Governance Report forming part of the Annual Report.

Other details of all the Directors have been given in the Corporate Governance Report attached to this Report.

d) Re-appointments / Approvals for Managing Director and Whole Time Directors:

- i) The Central Government vide its letter dated May 14, 2015 has approved the re-appointment of Shri Shalil Shashi Kumar Shroff (DIN: 00015621) as the Managing Director for a period of three (3) years w.e.f. January 15, 2015 at a remuneration as approved by the shareholders of the Company in their meeting held on September 23, 2014.
- ii) The shareholders of the Company, on April 8, 2015 by means of special resolution passed through Postal Ballot, have given their approval for (a) increase in remuneration of Shri Avtar Singh, Whole Time Director w.e.f. April 1, 2015 to November 13, 2015 and (b) to fix remuneration for the remaining period of his re-appointment i.e. from November 14, 2015 to November 13, 2017. The Company is in the process of making an application to the Central government for its approval in this regard.

e) Committees of the Board:

The Company's Board has constituted the required Committees prescribed under the Companies Act and the Listing Agreement.

The composition of the Audit and Corporate Social Responsibility Committees and Attendance in the meetings (wherever required) have been provided in the Corporate Governance Report forming part of this Annual Report.

**14. LISTING WITH STOCK EXCHANGES:**

The Company's shares continue to be listed at the National Stock Exchange of India Limited and BSE Limited.

The Annual Listing fee for the financial year 2015-16 has been paid to these Exchanges.

15. ENVIRONMENTAL MANAGEMENT AND POLLUTION CONTROL:

In pursuit of ensuring "No Pollution", the pollution control measures remain the top priority in all units of the Company. The requisite measures to adopt environmentally clean and for safe operations are taken.

The local management of the factories continuously monitor operational efficiencies, minimize consumption of natural resources and reduce consumption of water. The initiatives to reduce waste and emissions remain the main focus of the Production team. The employees are made to aware about the need to sustain the environment on continuous basis.

Environment, Health and Safety (EHS) measures, as always, have been given special emphasis.

16. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY :**i) Welfare Activities:**

The Company through SDS Memorial Trust has helped needy students and donated to several charitable Institutions. These activities will be increased with the improvement in the financial position of the Company.

The Company continues to organize a 'Blood Donation Camp' in the memory of Late Shri S.D. Shroff on 18th December every year. Around 51 employees donated blood this year.

ii) Corporate Social Responsibility:

The Board of Directors of the Company has on May 28, 2015 formulated and approved a policy on "Corporate Social Responsibility" in compliance with the provisions of Section 135 of the Companies Act, 2013 and Schedule VII thereunder. The same is posted on the website of the Company under weblink <http://punjabchemicals.com/companypolicy.html>. This policy broadly defines the activities to be undertaken by the Company to contribute to harmonious and suitable development of the local areas near manufacturing sites and society at large. The Committee comprises of Shri Shalil ShashiKumar Shroff, Shri Mukesh Dahyabhai Patel, Capt. Surjit Singh Chopra (Retd.) and Smt. Sindhu Seth. During the year under review, the Company has undertaken certain activities as per the local requirement. As per one of the interpretation on Rule 2 (f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the amount calculated to spend on CSR activities amounts to Rs. 66,000/-. The Company will spend the said amount in the current fiscal year as per the CSR Policy of the Company.

17. RESEARCH & DEVELOPMENT / QUALITY CONTROL:

Despite the shortage of funds, your Company continues to make need based investment in R&D and quality control, to ensure its competitive advantage.

The regular R&D activities continue in the laboratories of Agro Chemicals and Pharma Division. The activities are undertaken to improve upon the existing processes, decrease effluent load and to develop new products and by-products.

18. INSURANCE:

The Company has taken adequate insurance policies for its assets against the possible risks like fire, flood, public liability, marine, etc.

19. EMPLOYEES AND INDUSTRIAL RELATIONS:

The Directors wish to place on record their appreciation for the sincere and devoted efforts of the employees and the Management staff during the difficult period in the Company.

The Company maintained healthy, cordial and harmonious industrial relations at all levels through out the year.

20. DEPOSITORY SYSTEM:

M/s Alankit Assignments Ltd., Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi, are the Registrar and Share Transfer Agent of the Company for the Physical as well as Demat shares. The members are requested to contact the Registrar directly for any of their requirements.

21. INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013.**i) Extract of the Annual Return:**

The information required under Section 134 (3) (a) of the Companies Act, 2013 (the Act) read together with Section 92 (3) of the Act regarding extract of the Annual Return is appended hereto as **Annexure 1** and forms part of this Report.

ii) Number of Meetings of the Board:

The Board met five (5) times during the Financial Year 2014-15, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

iii) Directors' responsibility statement:

Pursuant to the requirement under sub section 3 (c) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments



and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit and loss of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis;
- e) the Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

iv) Declaration from Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges. The same has been received upon by the Company and placed before the Board in its meeting held on May 28, 2015.

v) Policy on Directors' Appointment and Remuneration:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its function of governance and management. As on March 31, 2015, the Board consists of 9 Members, 3 of whom are Executive Directors and 3 are Independent Directors. The Board periodically evaluated the need for change in its composition and size.

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy under Section 178 (3) of the Companies Act, 2013 which lays down criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel. The same is appended as **Annexure 2** and can be assessed at the weblink <http://punjabchemicals.com/companypolicy.html>.

vi) Auditors' Remarks:

a. Statutory Auditors:

The Company's Auditors have made the following qualifications in their report on Consolidated

Financial Statements for the Financial Year ended March 31, 2015;

- STS Chemicals (UK) Limited, 100% subsidiary of the Company has not been considered for the purpose of preparation of the Consolidated Financial Statements.

The Board of Directors are of the opinion that the aforesaid subsidiary does not have any operations. Accordingly, the non-inclusion of the same in the Consolidated Financial Statements has no significant impact on the financial position and on the operating results of the Group.

There are few remarks given in the Annexure to the Auditors' Report which are self-explanatory. Necessary actions are being taken on those remarks and points wherever required.

b. Secretarial Auditor:

The Secretarial Audit Report for the financial year 2014-15 is annexed to this Report as **Annexure 3**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

vii) Particulars of loans, guarantees or investments under section 186:

Particulars relating to loans and guarantees or investments under section 186 of the Companies Act, 2013 is provided in the Note 34 to the standalone financial statement.

viii) Related Party Transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at weblink <http://punjabchemicals.com/companypolicy.html>.

Your Directors draw attention of the Members to Note no. 32 to the standalone financial statements which sets out related party disclosure.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

Form AOC-2 pursuant to clause (h) of sub-section 134 of



the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure 4**.

ix) Material changes and commitments, if any:

No event occurred between the end of the financial year and the date of the Report which has the affect on the Financial Statements. However, One Time Settlement (OTS) with State Bank of India (SBI) may affect the Financial Statements upon fulfillment of conditions. Necessary adjustment in the books of account will be carried out after compliance of all conditions as specified in OTS.

x) Particulars regarding conservation of energy, etc.:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure 5** and forms part of this Report.

xi) Risk Management:

Pursuant to Clause 49 of the Listing Agreement, the Company has constituted a Risk Assessment Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, forming part of the Board's Report.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has formulated Risk Management Policy which is posted at the website of the Company under weblink <http://punjabchemicals.com/companypolicy.html>.

xii) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the directors individually, of the Chairman and of the Board as a whole. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

22. PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no employee of the Company who draws remuneration in excess of the limits set out in the said rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 6**.

23. WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy to report genuine

concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company and can be assessed at weblink <http://punjabchemicals.com/companypolicy.html>. No such case has been reported during the year under review.

24. INTERNAL FINANCIAL CONTROLS

The Company has built a mechanism to prevent frauds and a robust internal controls with reference to the financial statements. These controls were got tested from an Independent Agency in addition to the Internal Auditor and no material weakness in the design of the system or operations were observed. As a practice, the robust Internal Financial Control environment will be maintained in the Company.

25. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has set in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 named as Policy on 'Prevention of Sexual Harassment at Workplace'. Under this policy, an appropriate complaint mechanism in the form of "Complaint Redressal Committee" has been created in the Company for time-bound redressal of the sexual harassment complaint made by the victim.

26. CEO/CFO CERTIFICATION:

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Shri Shalil Shashikumar Shroff, Managing Director (CEO) and Shri Vipul Joshi, Chief Financial Officer (CFO) of the Company was placed before the Board of Directors along with the annual financial statements for the year ended on March 31, 2015, at its meeting held on May 28, 2015. The said Certificate is also annexed to the Corporate Governance Report.

27. AUDITORS:

At the Annual General Meeting (AGM) held on September 23, 2014, M/s S R B C & Co. LLP, Chartered Accountants, Mumbai, (Membership No.: 49365) were appointed as the Statutory Auditor of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at the AGM of coming year. Accordingly, the appointment of M/s S R B C & Co. LLP, Chartered Accountants, Mumbai, (Membership No.: 49365), as Statutory Auditors of the Company, is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Members are requested to consider their appointment on a remuneration to be decided by the Board for the ensuing Financial Year i.e. 2015-16.

28. SECRETARIAL AUDITORS:

On the recommendation of the Audit Committee, the Board of



Directors of the Company had appointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934) as the Secretarial Auditor of the Company for the financial year 2014-2015, in terms of Section 204 of the Companies Act, 2013 and Rules thereunder.

The Board upon recommendation of the Audit Committee has reappointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as the Secretarial Auditor of the Company for the financial year 2015-16.

29. COST AUDITORS:

The Board of Directors upon recommendation of the Audit Committee appointed Mrs. Pushpa Khanna, Cost Accountant, Chandigarh and M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar as Cost Auditors of the Company for conducting audit of the cost accounts maintained by the Company for the financial year 2015-16. They have submitted a certificate of eligibility for the appointment.

The Audit Committee has nominated Mrs. Pushpa Khanna, Cost Accountant, Chandigarh as the Lead Auditor of the Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought in the ensuing Annual General Meeting.

For the year 2014-15, the due date for filing the Cost Audit Report is September 27, 2015 and the same will be filed in due course. The Cost Audit Report for the year 2013-14 was filed on September 24, 2014.

30. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 125 of the Companies Act, 2013, relevant amount which remained unclaimed and unpaid for a period of seven years from the date it became due for payment, has to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. No claim shall lie against the IEPF or the Company for the amount so transferred prior to March 31, 2014, nor shall any payment to be made in

respect of such claims.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on September 23, 2014 (date of last Annual General Meeting) on the Company's website of the Company at weblink [http:// punjabchemicals.com/unclaimedunpaidamount.html](http://punjabchemicals.com/unclaimedunpaidamount.html), as also on the Ministry of Corporate Affairs' website.

31. CORPORATE GOVERNANCE:

The Company strives to maintain the required standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has complied with the corporate governance code as stipulated under the Listing Agreement with the stock exchanges. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms integral part of this Report.

The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance

32. GENERAL:

Your Directors state that:

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There is no change in the nature of business of the Company.

33. ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation for the efficient and loyal services rendered by each and every employee of the Company. The Directors would also like to thank the employee unions, shareholders, fixed deposit holders, customers, dealers, suppliers, bankers, and all other business associates for their faith reposed in the Company even at the difficult times.

For and on behalf of the Board of Directors

MUKESH D PATEL
Vice Chairman
DIN : 00009605

SHALIL S SHROFF
Managing Director
DIN : 00015621

Place: Mumbai

Date: May 28, 2015



ANNEXURE TO THE DIRECTORS' REPORT

Annexure 1

Form MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS :					
CIN		L24231CH1975PLC003603			
Registration Date		November 19, 1975			
Name of the Company		Punjab Chemicals and Crop Protection Limited			
Category/ Sub-Category of the Company		Public Company / Limited by shares			
Address of the Registered office and contact details		SCO : 183, First floor, Sector 26, Madhya Marg, Chandigarh- 160019 Tel.: 0172-5008300, 5008301, Fax: 0172-2790160			
Whether listed company		Yes			
Name, Address and Contact details of Registrar and Transfer Agent, if any		Alankit Assignments Limited, RTA Division Anarkali Market, 1E/ 13, Jhandewalan Extension New Delhi- 110 055 Tel.: 011-42541234, 23541234 Fax: 011-41543474			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :					
All the Business Activities contributing 10% or more of the total turnover of the Company (on standalone basis) are given below :					
SI No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company		
1.	Chemicals	20119, 20211	88.70 %		
2.	Bulk Drugs and Intermediates	29002	11.30%		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :					
Name and Address of the Company		CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
SD Agchem (Europe) NV Uitbreidingstraat 84/B3 2600, Berchem (Antwerp) Belgium		Foreign Company	Subsidiary Company	100%	2 (87)
Sintesis Quimica S.A.I.C. Scalabrini Ortiz 3333 2nd Floor Buenos Aires, Argentina (C1425DCB)		Foreign Company	Subsidiary Company	100%	2 (87)
STS Chemicals (UK) Ltd. 14, Pollard Way, Gomersal Cleckheaton, West Yorkshire BD19 4PR		Foreign Company	Subsidiary Company	100%	2 (87)
Stellar Marine Paints Limited Plot No. 645/646, Oberoi Chambers II, 4th & 5th Floor, New Link Road, Andheri (W) Mumbai-400 053		U63032MH 2007P LC162871	Associate Company	45%	2 (6)



IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)									
i) Category- wise shareholding									
Category of Shareholders	No. of shares held at the beginning of the year (April 1, 2014)				No. of shares held at the end of the year (March 31, 2015)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian :									
a) Individual/ HUF	1041572	0	1041572	8.49	1041572	0	1041572	8.49	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	4602295	0	4602295	37.53	4602295	0	4602295	37.53	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	5643867	0	5643867	46.03	5643867	0	5643867	46.03	0
(2) Foreign :									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A) (1)+(A) (2)	5643867	0	5643867	46.03	5643867	0	5643867	46.03	0
B. Public Shareholding									
(1) Institutions :									
a) Mutual Funds/ UTI	562	6351	6913	0.05	562	5870	6432	0.05	0
b) Banks/ FI	1022	57	1079	0.01	1022	57	1079	0.01	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	122027	0	122027	1.00	122027	0	122027	1.00	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	420796	0	420796	3.43	420796	0	420796	3.43	0
g) FIs	0	3913	3913	0.03	0	3913	3913	0.03	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)	544407	10321	554728	4.52	544407	9840	554247	4.52	0
(2) Non-Institutions :									
a) Bodies Corporate	3571948	10205	3582153	29.21	3632627	8348	3640975	29.69	0.48%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	1814180	282959	2097139	17.10	1820908	240954	2061862	16.81	-0.29%
ii) Individual share-holders holding	316091	0	316091	2.58	291433	0	291433	2.38	-0.20%



nominal share capital upto Rs. 1 lakh									
c) Others (specify)									
i) Trust	200	0	200	0.00	200	0	200	0.00	0
ii) Directors & Relatives	56193	125	56318	0.46	56193	125	56318	0.46	0
iii) Non Resident Indian	11386	303	11689	0.10	12848	435	13283	0.11	0.01%
Sub-Total (B)(2)	5769998	293592	6063590	49.45	5814209	249862	6064071	49.45	0
Total Public Shareholding (B)= (B) (1)+ (B) (2)	6314405	303913	6618318	53.97	6358616	259702	6618318	53.97	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11958272	303913	12262185	100	12002483	259702	12262185	100	0

ii) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year (April 1, 2014)			Shareholding at the end of the year (March 31, 2015)			% change in share-holding during the year
	No. of shares	% of Total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of shares	% of Total shares of the Company	% of Shares pledged/ encumbered to total shares	
Excel Industries Ltd.	584977	4.77	0	584977	4.77	0	0
Rupam Shalil Shroff	183191	1.49	1.49	183191	1.49	1.49	0
Rupam Shalil Shroff	100	0.00	0.00	100	0.00	0.00	0
Hemsil Trading & Manufacturing Pvt. Ltd.	4017318	32.76	32.62	4017318	32.76	32.62	0
Hemal Raju Shete	63750	0.52	0	63750	0.52	0	0
Ishika S. Shroff	27894	0.23	0	27894	0.23	0	0
Malvika S. Shroff	35340	0.29	0	35340	0.29	0	0
Salil S. Shroff HUF	77652	0.63	0	77652	0.63	0	0
Shaila Shashikumar Shroff	149062	1.22	0	149062	1.22	0	0
Shaila Shashikumar Shroff	124002	1.01	0	124002	1.01	0	0
Shalil Shashikumar Shroff	172125	1.40	1.40	172125	1.40	1.40	0
Shalil Shashikumar Shroff	167956	1.37	0	167956	1.37	0	0
Shalil Shashikumar Shroff	40500	0.33	0.33	40500	0.33	0.33	0
TOTAL	5643867	46.03	35.85	5643867	46.03	35.85	0

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	56,43,867	46.03%	56,43,867	46.03%
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	NIL	NIL	NIL	NIL
At the end of the year	56,43,867	46.03%	56,43,867	46.03%



iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)							
Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
Gowal Consulting Services Pvt. Ltd.*	30,00,000	24.47%	Nil	Nil	Nil	30,00,000	24.47%
General Insurance Corporation of India*	2,65,959	2.17%	Nil	Nil	Nil	2,65,959	2.17%
United India Insurance Company Limited*	1,42,939	1.17%	Nil	Nil	Nil	1,42,939	1.17%
Punjab State Industrial Development Corporation Limited*	1,22,027	1.00%	Nil	Nil	Nil	1,22,027	1.00%
Hiral Pradeep Harsora@	80,042	0.65%	19.09.2014 30.09.2014 14.11.2014 21.01.2014 28.11.2014 05.12.2014 12.12.2014 19.12.2014 31.12.2014 09.01.2015 20.02.2015	(5,000) (5,000) (4,000) (7,000) (3,000) (3,000) (6,600) (4,000) (39,600) (2,000) (825)	Market Sale	75,042 70,042 66,042 59,042 56,042 53,042 46,442 42,442 2,842 842 17	0.61% 0.57% 0.54% 0.48% 0.46% 0.43% 0.38% 0.35% 0.02% 0.01% 0.00%
Sumit Credit Company Pvt. limited@	66,733	0.54%	29.08.2014 09.09.2014 31.12.2014	(2,500) (4,430) (59,803)	Market Sale	64,233 59,803 0	0.52% 0.49% -
Risewell Credit Pvt. Ltd.@	48,346	0.39%	04.04.2014 11.04.2014 15.08.2014 05.09.2014 12.09.2014 19.09.2014 12.12.2014 13.03.2015 20.03.2015 27.03.2015	(1,007) (1,500) (1,000) (8,000) (5,752) (1,000) (784) (4,500) (7,000) (14,000)	Market Sale	47,339 45,839 44,839 36,839 31,087 30,087 29,303 24,803 17,803 3,803	0.39% 0.37% 0.37% 0.30% 0.25% 0.24% 0.23% 0.20% 0.14% 0.03%
Girdhar Fiscal Services Pvt. Ltd.@	45,708	0.37%	27.03.2015 31.03.2015	(11,560) (6,000)	Market Sale	34,148 28,148	0.28% 0.23%
Shree Gopal Chemicals & Trading Pvt. Limited*	44,250	0.36%	Nil	Nil	Nil	44,250	0.36%
Harileela Investrade Private Ltd.@	40,227	0.33%	05.09.2014 13.03.2015 27.03.2015 31.03.2015	(7,836) (1,087) (8,000) (6,000)	Market Sale	32,391 31,304 23,304 17,304	0.26% 0.25% 0.19% 0.14%
Javeri Fiscal Services Limited#	Nil	Nil	28.11.2014 05.12.2014 12.12.2014 19.12.2014	3,000 27,600 2,990 7,641	Market Purchase	3,000 30,600 33,590 41,231	0.02% 0.25% 0.27% 0.34%



			31.12.2014	1,269		42,500	0.35%
			02.01.2015	7,900		50,400	0.41%
			09.01.2015	4,140		54,540	0.44%
			06.02.2015	4,500		59,040	0.48%
			13.02.2015	11,223		70,263	0.57%
			20.02.2015	2,000		72,263	0.59%
			27.02.2015	3,000		75,263	0.61%
			20.03.2015	19,237		94,500	0.77%
			27.03.2015	27,500		1,22,000	0.99%
Aditi Prasoon Bhatt#	Nil	Nil	27.03.2015	91,800	Market Purchase	91,800	0.75%
Joindre Capital Services Ltd.#	Nil	Nil	30.09.2014	46,000	Market	46,000	0.37%
			06.03.2015	(40,000)	Sale /	6,000	0.05%
			13.03.2015	(1,000)	Purchase	5,000	0.04%
			31.03.2015	40,000		45,000	0.37%
KwalityAlutrade Pvt. Ltd. #	Nil	Nil	06.02.2015	8,016	Market	8,016	0.06%
			13.02.2015	12,478	Sale /	20,494	0.17%
			20.02.2015	14,866	Purchase	35,360	0.29%
			27.02.2015	7,798		43,158	0.35%
			13.03.2015	(3,158)		40,000	0.33%
Ramila Pradip Trivedi#	33,824	0.28%	Nil	Nil	Nil	33,824	0.28%

Note :

- * Common top 10 shareholders as on April 1, 2014 and March 31, 2015
@ Top 10 shareholders only as on April 1, 2014.
Top 10 shareholders only as on March 31, 2015.

v) Shareholding of Directors and Key Managerial Personnel

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of Total shares of the Company				No. of shares	% of Total shares of the Company
Shalil Shashikumar Shroff*	3,80,581	3.10%	Nil	Nil	Nil	3,80,581	3.10%
Mukesh Dahyabhai Patel	400	0.00%	Nil	Nil	Nil	400	0.00%
Avtar Singh	7,911	0.06%	Nil	Nil	Nil	7,911	0.06%
ShivShankar Shripal Tiwari*	11,714	0.09%	Nil	Nil	Nil	11,714	0.09%
Vipul Harsukhlal Joshi	1,114	0.09%	Nil	Nil	Nil	1,114	0.01%
Punit Kumar Abrol	1	0.00%	Nil	Nil	Nil	1	0.00%

Note :

- * Shareholding in the first individual name of the Director has been considered here.



V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31505	-	814	32319
ii) Interest due but not paid	640	-	-	640
iii) Interest accrued but not due	-	-	37	37
Total (i+ii+iii)	32145	-	851	32996
Change in Indebtedness during the year				
Addition	786	-	-	786
Reduction	(4068)	-	(64)	(4132)
Net Change	(3282)	-	(64)	(3346)
Indebtedness at the end of the financial year				
i) Principal Amount	27437	-	787	28224
ii) Interest due but not paid	1426	-	-	1426
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	28863	-	787	29650
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :				
A. Remuneration to Managing Director, Whole Time Directors and/ or Manager				(Rs. in Lacs)
Particulars of Remuneration	Shalil Shashi Kumar Shroff Managing Director	Avtar Singh Whole-Time Director	Shivshankar Shripal Tiwari Whole-Time Director	Total Amount
1. Gross Salary				
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	24.00	18.60	17.40	60.00
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	12.99	11.58	15.75	40.32
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2. Stock Options	Nil	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil	Nil
4. Commission	Nil	Nil	Nil	Nil
- as % of profit				
- others, specify				
5. Others, please specify				
a) Retiral benefits	6.48	4.23	4.70	15.41
TOTAL (A)	43.47	34.41	37.85	115.73
Ceiling Limit	The remuneration to Managing Director and Whole Time Directors has been paid within the limits approved by the Central Government in each case.			



B. Remuneration to Other Directors				
1. Independent Directors				(Rs. in Lacs)
Particulars of Remuneration	Ghattu Ramanna Narayan	Mukesh Dahya bhai Patel	Vijay Dilbagh Rai	Total Amount
- Fee for attending Board/ Committee Meetings	1.05	2.00	1.20	4.25
- Commission	Nil	Nil	Nil	Nil
- Others, please specify	Nil	Nil	Nil	Nil
TOTAL (B)(1)	1.05	2.00	1.20	4.25
2. Other Non-Executive Directors				(Rs. in Lacs)
Particulars of Remuneration	Capt. Surjit Singh Chopra (Retd.)	Sheo Prasad Singh	Sindhu Seth	Total Amount
- Fee for attending Board/ Committee Meetings	1.10	0.75	0.85	2.70
- Commission	Nil	Nil	Nil	Nil
- Others, please specify	Nil	Nil	Nil	Nil
TOTAL (B)(2)	1.10	0.75	0.85	2.70
TOTAL (B)= (B)(1)+(B)(2)				6.95
Overall Ceiling as per the Act	No remuneration except sitting fees was paid to Directors who are not Executive Directors. Executive Directors are paid as per the limit approved by the Central Government.			
C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD				(Rs. in Lacs)
Particulars of Remuneration	Punit Kumar Abrol Company Secretary	Vipul Joshi Chief Financial Officer	Total Amount	
1. Gross Salary				
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	15.96	22.75	38.71	
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	9.23	15.75	24.98	
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil	
2. Stock Options	Nil	Nil	Nil	
3. Sweat Equity	Nil	Nil	Nil	
4. Commission	Nil	Nil	Nil	
- as % of profit				
- others, specify				
5. Others, please specify				
a) Retiral benefits	4.31	6.14	10.45	
TOTAL (C)	29.50	44.64	74.14	



VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES :					(Rs. in Lakh)
Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authorities Amount (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					

**Annexure 2****NOMINATION & REMUNERATION POLICY****Introduction:**

The Philosophy of the Company is that human resources are the greatest asset of the Company.

The endeavor of the management has always been to create world class human resources and inculcate belongingness towards the Company. The employees should work in harmony, understand the importance of every work and create the work culture which is adoptable and acceptable at all levels.

Responsibility:

The responsibility to implement this work culture lies with the top level management.

In view of the aforesaid philosophy and in compliance to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors have constituted the **"Nomination and Remuneration Committee"** (hereinafter referred to as the "Committee") to oversee the Company's nomination process for the top level management. The Committee has to specifically identify, screen and review individuals qualified to serve as the Executive Directors, Non Executive Directors and Independent Directors, consistent with criteria approved by the Board and to recommend for approval to the Board, nominate for election at the Annual General Meeting of shareholders.

To fulfill the objective of creating, preparing policies of the top level management and retaining the good, efficient and professional human resources, the committee shall oversee the appointment of Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel.

The Committee shall ensure that remuneration so paid to them is reasonable and sufficient to attract, retain and motivate the employees.

The committee shall also co-ordinate and overview the annual self evaluation of the performance of the Board and of individual Directors in the governance of the Company.

Another important responsibility of the committee is to create a sound succession planning of the senior leadership, vital for the robust future of the Company. Therefore, the committee has to adopt a rigorous process to ensure that the Board selects the right candidates for the senior leadership positions.

Review of Policy:

The policy is to be reviewed by the Board to ensure it remains consistent with Board's objectives and responsibilities.

Publication of Policy:

A copy of this policy is available at the website of the Company

(www.punjabchemicals.com). This policy is to be made available to the shareholders of the Company upon request.

The present composition of the Committee and terms of reference are appended herewith.

NOMINATION AND REMUNERATION COMMITTEE**Composition of Committee:**

In Compliance to the Companies Act, 2013 (hereinafter referred to as "Act") and the Listing Agreement, the Board of Directors in its meeting held on 29th May, 2014 changed the name of the Remuneration Committee by renaming it as "Nomination and Remuneration Committee" (hereinafter referred to as the "Committee"). This Committee comprises of the following Directors:

- | | | |
|---------------------------|---|-------------------|
| 1. Shri Vijay Rai | : | Chairman & Member |
| Independent Director | | of the Committee |
| 2. Shri M.D. Patel | : | Member of the |
| Independent Director | | Committee |
| 3. Shri S.P. Singh | : | Member of the |
| Nominee Director | | Committee |

As per the Act, the members of the Committee shall be Non Executive Directors and at least half of them shall be independent.

Terms of Reference:

The Terms of Reference of the Committee shall, inter alia, include the following:

- i) To finalise the criteria for determining qualification, experience, positive attributes and independence of persons who are qualified to become Directors (Executive and Non Executive), Key Managerial Personnel and at Senior Management level and to recommend to the Board their appointment and / or removal.
- ii) To carry out evaluation of performance of Directors, as well as Key Managerial and Sr. Management Personnel.
- iii) To establish the criteria and process to assist the Board and each of its Committees in their performance evaluations.
- iv) To determine Remuneration for the Directors, Key Managerial Personnel and other senior officers based on the Company's size, financial position and trends and practices on remuneration prevailing in peer companies especially in the manufacturing industry.



- v) To recommend for the rewards linked directly to their efforts, performance, dedication and achievements relating to the Company's operations.
- vi) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vii) To recommend/review remuneration of the Managing Director and Executive Directors based on their performance and defined assessment criteria.
- viii) To make recommendations to the Board, as appropriate, for the service conditions of the Key Managerial Personnel and other senior officers.
- ix)
 - a) To develop the process and recommend to the Board for approval of CEO (Managing Director) and Succession Plan ("the succession plan").
 - b) To review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for executive positions and recommend to the Board any change, if required under the Succession Plan.
- x) To meet atleast once in a year, in conjunction with other Committee meetings and Board Meetings. Additional meetings of the Committee can be held from time to time as determined by the Board or the Chairman of the Committee, if so requested by any member of the Committee.
- xi) To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme as and when the Company comes with the scheme and to recommend:
 - a) The quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
 - b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - c) The exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
 - d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - f) The procedure for making a fair and reasonable adjustment to the number of options.
 - g) The granting, vesting and exercising of options in case of employees who are on long leave, and the procedure for cashless exercise of options.
- xii) A member of the Committee is not entitled to be present when his or her own salary or fee is discussed at a meeting or when his or her performance is being evaluated.
- xiii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

This forms the part of Nomination and Remuneration Policy of Punjab Chemicals and Crop Protection Limited as approved at the Board Meeting held on 29.05.2014.

**Annexure 3****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2015**

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

To

The Members

**Punjab Chemicals and Crop Protection Limited, Chandigarh
(CIN : L24231CH1975PLC003603)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Punjab Chemicals and Crop Protection Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder were not attracted during the audit period as there was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as informed to us.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company did not issue any securities during the audit period.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company has not granted any options to its employees during the audit period.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company did not issue any debt securities during the audit period.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its equity shares during the audit period and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable as the Company did not buyback any of its securities during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not Applicable for the Audit period)
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd. and BSE Ltd.;

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

We further report that we have relied on the representation made and other documents provided by the Company, its officers and on the examination of the same on test check basis the Company has



complied with the following laws applicable specifically to the Company:

- a) The Boilers Act, 1923 and The Indian Boilers (Amendment) Act, 2007;
- b) The Poisons Act, 1919;
- c) Insecticides Act, 1968;
- d) Drugs and Cosmetics Act, 1940;
- e) The Environment (Protection) Act, 1986;
- f) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- g) The Water (Prevention & Control of Pollution) Act, 1974;
- h) The Air (Prevention & Control of Pollution) Act, 1981;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least three days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board of Directors were approved unanimously or by majority and same were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The Company has obtained approval of Central Government in regard to Re-Appointment and payment of remuneration of Mr. Avtar Singh, (DIN: 00063569), Whole Time Director of the Company vide letter no. SRN No. C04563003/2014-CL-VII dated 15.12.2014.
2. The Company has made an application to Central Government in Form MR. 2 vide SRN C39378963 dated 09.01.2015 for Approval of Re-appointment and payment of managerial remuneration of Mr. Shalil Shashi Kumar Shroff (DIN: 00015621), Managing Director of the Company. (The Company has received approval of Central Government in this regard vide letter no. SRN No. C39378963/2014-CL-VII dated 14.05.2015.)
3. The Company has obtained approval of shareholders under section 180 (1)(a) of the Companies Act, 2013 by way of Special Resolution to create security on all or any part of its assets.
4. The Company has obtained approval of shareholders under

section 180 (1)(c) of the Companies Act, 2013 by way of Special Resolution for borrowings upto Rs. 500 Crores.

For **P.S. Dua & Associates**
Company Secretaries

Place : Ludhiana

Date : 28.05.2015

P.S. Dua

FCS No. 4552; C P No. 3934

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

Annexure A to Secretarial Audit Report

To

The Members

Punjab Chemicals and Crop Protection Limited

SCO No- 183 1st Floor

Sector-26, Chandigarh-160019

(CIN: L24231CH1975PLC003603)

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

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

For **P.S. Dua & Associates**
Company Secretaries

Place : Ludhiana

Date : 28.05.2015

P.S. Dua

FCS No. 4552; C P No. 3934

**Annexure 4****PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES****FORM No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:	
<ul style="list-style-type: none">a) Name(s) of the related party and nature of relationshipb) Nature of contracts/arrangements/transactionsc) Duration of the contracts / arrangements / transactionsd) Salient terms of the contracts or arrangements or transactions including the value, if anye) Justification for entering into such contracts or arrangements or transactionsf) Date(s) of approval by the Boardg) Amount paid as advances, if anyh) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis :	
<ul style="list-style-type: none">a) Name(s) of the related party and nature of relationshipb) Nature of contracts/arrangements/transactionsc) Duration of the contracts / arrangements / transactionsd) Date(s) of approval by the Boarde) Amount paid as advances, if anyf) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2015.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2015

MUKESH D PATEL
Vice Chairman
DIN : 00009605

SHALIL S SHROFF
Managing Director
DIN : 00015621



Annexure 5

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

I) CONSERVATION OF ENERGY:

a) Energy Conservation Measures taken :

- Process Modification and re-engineering in the major products has increased production capacity resulting into saving in energy.
- The connected load of power has been reduced by replacing high horsepower motors with the actual required motors.
- Two old brine units have been replaced with the high efficient brine units which has saved power as well as increased the capacity of the brine.
- Waste heat recovery boiler has been installed with incinerator in ETP to recover heat to produce steam.
- New multi effect evaporator (MEE) with substantial capacity has been installed. This MEE has 40% higher capacity than actual required at present and will be used for future expansion.

b) Steps taken by the Company for utilizing alternate sources of energy:

- The Company will explore alternate source of energy, if available and possible at the manufacturing units.

c) Additional investments and proposal, if any, being implemented for reducing the consumption of energy.

- The Company makes the required investments to reduce consumption of energy, whenever any efficient proposal is received.

d) Impact of (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.

- Continuous monitoring of the above measures will reduce the energy conservation and save energy and cost.

e) Total energy consumption and energy consumption per unit of production, as per prescribed Form 'A'.

FORM 'A'

	CURRENT YEAR (2014-15)	PREVIOUS YEAR (2013-14)
A. Power and fuel consumption		
1. Electricity		
a) Purchased		
Unit(Kwh)	2,10,52,868	2,47,17,476
Total Amt.(Rs.lacs)	1,508.58	1863.03
Rate/Unit(Rs.)	7.17	7.54
b) Own Generation		
i) Through Diesel Generator		
Unit(Kwh)	8,93,232	11,31,508
Unit per ltr. of Diesel Oil	3.55	3.71
Cost/ Unit (Rs.)	14.95	14.07
ii) Through Steam Turbine/Generator		
Unit(Kwh)	Nil	Nil
Unit per ltr. of fuel oil/gas	Nil	Nil
Cost/ Unit (Rs.)	Nil	Nil
2. Coal (specify quality and where used)		
Qty.(tonnes)	316	1,702
Total cost (Rs.lacs)	25.01	144.91
Average Rate (Rs.)	7,919	8,516
3. Furnace Oil		
Quantity (K.ltrs.)	-	236
Total Amount (Rs. Lacs)	-	102.36
Average rate (Rs.) per Kg.	-	43.30



	CURRENT YEAR (2014-15)	PREVIOUS YEAR (2013-14)
4. Others/Internal generation		
Husk Rice, Straw, Baggase, etc. (Agro Waste)		
Quantity (MT)	45,049	34,735
Total Cost (Rs.lacs)	2,075.14	1,691.24
Rate/Unit (Rs.)	4,606	4,869

B. Consumption per unit of production

	CURRENT YEAR		PREVIOUS YEAR	
	Electricity (Kwh)	Coal & Husk (Kg.)	Electricity (Kwh)	Coal & Husk (Kg.)
i) Agro Chemicals & their Intermediates	836	1470	1004	1562
ii) Pharma Products & their Intermediates	5373	12233	4806	7794
iii) Industrial Chemicals	528	130	620	150
iv) Sulphur based compounds	-	-	368	263

Note: Since coal, husk and Furnace Oil, etc. were used simultaneously in the boiler, therefore, combined consumption per unit of production of the fuel has been given.

II) TECHNOLOGY ABSORPTION:

Form 'B' for disclosure of particulars with respect to Technology Absorption.

FORM 'B'

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D was carried out by the Company.

- Process modification in the existing products, wherever possible.
- Continuous work on new agrochemicals to start at commercial scale with efficiency.
- Continuous research is carried out to recover products from the effluents.
- Work on improvement in processes of the products to reduce waste generation, reduction in raw material consumption, energy and manpower.

2. Benefits derived as a result of the above R & D.

- The reduction in the cost of production and development of environment friendly process.

3. Future plan of action :

- To further upgrade the R&D facilities upto the international standard.

4. Expenditure on R&D

	(Rs. lacs)
	2014-15
	2013-14
a) Capital	-
b) Recurring	188.02
c) Total	188.02
d) Total R&D expenditure as %age of total turnover	0.46%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

- Development of in house and indigenous technologies to meet demand of the customers.



2. *Benefits derived as a result of the above efforts, e.g. Product improvement and cost reduction, product development, import substitution etc.*
 - The existing processes are simplified and lowered the cost of production with better quality.
3. *Technology imported during the last 5 years:*
 - The Company has not imported any technology.

III) FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) *Activities relating to export initiatives taken to increase exports, development of new export markets for products and export plans.*
 - Participation in the international Chemical Exhibition and conducting personal visits to customers.

b) *Total Foreign Exchange earned and used* (Rs. lacs)

	2014-15	2013-14
i) Earned	28,894	19,172
ii) Used	6,717	5,415

For and on behalf of the Board of Directors

MUKESH D PATEL

Vice Chairman

DIN : 00009605

SHALIL S SHROFF

Managing Director

DIN : 00015621

Place: Mumbai

Date: May 28, 2015



Annexure 6

STATEMENT OF DISCLOSURE OF REMUNERATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

Sl. No.	Requirements	Disclosure (Rs. in Lacs)						
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Director's Name		Designation		Ratio to MRE		
						Including WD	Excluding WD	
		Shalil Shashi Kumar Shroff		Managing Director		10.47	10.50	
		Avtar Singh		Working Director		8.29	8.31	
		Shivshankar Shripal Tiwari		Working Director		9.12	9.14	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Name		Designation		Remunerati- on in FY 2015 (Rs. in Lacs)	Remunerati- on in FY 2014 (Rs. in Lacs)	% increase in remune- ration
		Shalil Shashi Kumar Shroff		Managing Director		43.47	43.47	Nil
		Avtar Singh		Working Director		34.41	35.19	-2.22%
		Shivshankar Shripal Tiwari		Working Director		37.85	37.98	-0.35%
		Punit K Abrol		Company Secretary		29.50	24.68	19.53%
		Vipul Joshi		Chief Financial Officer		44.64	38.69	15.38%
3.	The percentage increase in the median remuneration of employees in the financial year.	Median FY 2015 (Rs. Lacs)			Median FY 2014 (Rs. Lacs)		% Increase/ decrease	
		Including WD	Excluding WD	Including WD	Excluding WD	Including WD	Excluding WD	
		4.15	4.14	3.76	3.75	10.28	10.32	
4.	The number of permanent employees on the roll of the Company.	As on 31.03.2015				As on 31.03.2014		
		818				942		
5.	The explanation on the relation- ship between average increase in remuneration and Company performance.	Factors considered while recommending increase in the compensation: a) Financial performance of the Company b) Comparison with peer Companies c) Industry bench marking and consideration towards cost of living adjustment/ inflation d) Regulatory guidelines as applicable As mentioned above the Company follows holistic performance review mechanism to ensure that the increase is commensurate with the effort and it is aligned with the performance of the Company						
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the Financial year 2014-15, KMPs were paid approx. 33.15% of the net profit and 0.28% of total revenue of the Company on Standalone basis.						



Sl. No.	Requirements	Disclosure		
7.	Variations in the market capitalization of the Company, price earning, ratio as at the closing date of the Current Financial Year and Previous Financial Year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last publicoffer	The market capitalization of the Company has increased from Rs. 93.19 crores as of March 31, 2014 to Rs. 225.25 crores of March 31, 2015. Over the same period, the price earning ratio moved from 79.17 to 63.13. The Stock price as at March 31, 2015 has increased by 359.25 % to Rs. 183.70 over the last right issue in 1989 at the price of Rs. 40/- per share (including premium).		
8.	Average percentile increase already made in the salaries of employees other than the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	No major increase in the managerial remuneration from the last year.		
		Aggregate of remuneration paid to Employees in FY 2015 (Rs. in Lacs)	Aggregate of remuneration paid to Employees in FY 2015 (Rs. in Lacs)	% Increase / Decrease
		3697.60	3722.98	-0.68%
		Note : The decrease in aggregate remuneration is on account of decrease in number of employees in the FY 2014-15.		
9.	Comparison of the each remuneration of the Key Managerial Personnel (KMP) against the performance of the Company.	The comparison of each of the KMP against the performance of the Company is as under:		
		Name of Working Director / KMP	% of Total revenue for FY 2014-15	% of Net Profit for FY 2014-15
		Managing Director	0.10%	12.08%
		Company Secretary	0.07%	8.42%
		Chief Financial Officer	0.11%	12.64%
10.	The key parameters for any variable component of remuneration availed by the Directors.	There are no variable components of remuneration as such. The Directors are paid remuneration within the limits approved by the Central Government.		
11.	The ratio of the remuneration of the highest paid Director to that of the employees who are not director but receive remuneration in excess of the highest paid director during the year.	Highest paid Working Director	Highest paid Employee	Ratio
		Shalil Shashi Kumar Shroff Managing Director Rs. 43.47 lacs	Vipul Joshi, Chief Financial Officer Rs. 44.64 lacs	1.03
12.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed		

MRE : Median Remuneration of Employee; WD : Working Directors



Note:

1. The Median salary of the staff Members is arrived by taking into account the gross salary of the employees who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.
2. No Stock option was granted to Directors and employees.
3. The Median Remuneration of Employees (MRE) excluding Working Directors was Rs. 4,14,329 and Rs. 3,75,562 in fiscal year 2015 and fiscal year 2014 respectively.
4. The Median Remuneration of Employees (MRE) including Working Directors was Rs. 4,15,145 and Rs.3,76,439 in fiscal year 2015 and fiscal year 2014 respectively.
5. Net Profits have been taken as per the Standalone Statement of Profit and Loss.



MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS REVIEW:

1.1 Business segment- Agro Chemicals and other Chemicals

a) Industry Structure and Development:

Economic growth in the Country in the last few years has been depressed, mainly due to higher inflation and depressed domestic demand. However, from this year, the business sentiment has started to improve so also we expect better growth rate. The commitment of the government for better fiscal management and working on macro economic situation has brought positivity in the industrial sentiments.

Encouraged by the greater economic stability, institutions like IMF and the World Bank have presented the optimistic growth outlook for India for the year 2015 and beyond. However, subdued demand conditions particularly in Europe and Japan, recent slowdown in China and below normal agricultural growth are the few challenges which may somewhat restrict the growth prospects of the Company.

As per the estimates, agro and agro chemical sector is expected to witness good growth in the year 2015. The focus of the Indian government is to achieve higher contribution from agriculture sector to India's GDP growth. The west has started shifting production capacities in the agro chemical segment to developing countries like China and India, this too should bode well for India and the Company.

b) Opportunities and threats:

Agro Chemicals:

It is important to note that many molecules of agro chemicals are likely to go off Patent in the next few years throwing the market open for generic players. This provides ample opportunities for India and us to capitalize. Our available production capacity will therefore provide opportunity to increase exports. However, there will be a lot of competition in terms of technology, quality and effectiveness.

Your Company is in the manufacturing of various herbicides and fungicides of technical grade in bulk in addition to other chemicals. These are the fastest growing segment and have huge export potential.

Having sold its Formulation business (as it requires enormous working capital and has low margins because of competition) the Company has consciously decided to strengthen and concentrate on the technical manufacturing business. This business segment is strong and with the rich experience the Company has in this line for many years it expects to profit significantly from the focus.

Other Chemicals:

The Company continues to strengthen its manufacturing activity of chemicals where it has the specialization and control in niche markets. The plan for the future is to promote more such chemicals and work on intermediate chemicals required for backward and forward integration of our existing range.

c) Correction of business

As explained in the last annual report, the Company has sold/ disposed off its non-core businesses and assets to focus on agrochemicals and channelize the funds to the profitable areas. These steps have also helped the Company in reducing its operational expenses and comply with the conditions stipulated in the Corporate Debt Restructuring Scheme.

Future prospects:

Your Company has a specialized and versatile product portfolio of agrochemicals and industrial chemicals. In view of the growth potential of this Sector, the Management of the Company continues to be positive about the business in future. The Management, with its zeal and sincerity, has managed to establish good business relations with various renowned multi-national Companies for ensuring continuous markets for its products.

d) Risks and concern:

Erratic climatic conditions, need for advanced technology and wide fluctuation in the foreign exchange rates are the key concerns for the Company.

The Management is fully acquainted with all these risks and concerns and address them as and when required.

1.2 Business Segment- Pharma

a) Industry Structure and Development:

Despite economic pressures in healthcare markets and the wider global economy, the resilience shown by the pharmaceutical industry looks set to carry on through 2015. A recent report from Thomson Reuters indicates that global pharmaceutical sales topped \$1 trillion last year, following the high-water mark of \$980 billion recorded the year before, and this trend is expected to continue.

Your Company entered into the Pharma business in 2003 after acquisition of erstwhile Alpha Drug India Limited (ADIL), now merged with the Company. However, our product line is restricted to only few bulk drugs, drug intermediates and specialty chemicals at present.

b) Opportunities and threats:

India has achieved an eminent global position in the Pharma sector. It is the third largest in terms of volume and thirteen largest in terms of value.



The investment in the sector, particularly in the area of R&D, Quality control, plant and product registration is enormous. Due to low investment and non-availability of adequate working capital, introduction and manufacture of new pharma products could not be geared up as yet.

The Management of the Company is aware of the above requirements but constrained for the time being. In the circumstances, this division is running below its potential and virtually depends upon the toll manufacturing for other Companies.

c) Performance and Outlook:

As stated above, the growth was slow mainly due to lack of working capital. The Company is engaged in job work where the requirement of working capital is less. This will continue to be our focus till working capital position improves. Since the manufacturing facility has ISO 9001:2000 and ISO 14001: 2004 (which add value and confidence to companies seeking to manufacture) we expect to find additional job work and better utilization of our facilities.

d) Risks and concern:

Pricing pressures, generics competition, margin erosion, supply chain issues and regulatory constraints are the key risks and concerns for this sector.

The Management is fully acquainted with all these risks alongwith non-availability of working capital. Therefore, these risks and concerns are addressed on case to case basis.

2. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate internal control system commensurate with its size and complexity. The Company has an independent Internal Auditor who regularly checks the stocks of raw material, semi-finished goods, finished goods, etc. The consumption of raw material is regularly monitored alongwith the set norms with respect to discrepancy of increased raw material consumption. The Company has the systems to record variation and method to correct the discrepancy.

The financial statements are prepared in conformity with the established Accounting Standards and Principles.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them.

The Company has the Risk Assessment Policy of each segment of business and the concerned Heads of Department are responsible to monitor the risks and take effective measures to mitigate them.

3. SUBSIDIARIES / ACQUISITION / JOINT VENTURE:

The Company has three subsidiaries, namely, (i) STS Chemicals

(UK) Ltd. ; (ii) Sintesis Quimica, Argentina, S.A.I.C and (iii) SD AgChem (Europe) NV.

During the year under review, SD Agchem (Europe) N.V., a wholly owned subsidiary of the Company in Belgium disposed off its 20% shareholding in Source Dynamics LLC to Yongnong Biosciences Co. Ltd., China to reduce part of its long term liability.

4. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:

The Industrial relations in all divisions of the Company are cordial and harmonious. The employee strength of the Company as on 31st March, 2015 was 818.

The Company encourages the employees to upgrade their knowledge and skills for the better future and growth. The training session on various working parameters are regularly conducted.

5. FINANCIAL PERFORMANCE AND ANALYSIS:

As already stated and approved by the shareholders of the Company, Agro Formulation Division has been sold during the year. The Tarapur unit of Industrial Chemicals Division has been given on lease to UPL.

After disposing off and leasing the above businesses the revenue from operations (net) of the Company during the year under review on a standalone basis were Rs. 409.71 crores with a profit of Rs. 3.56 crores against revenue from operations (net) of Rs. 416.86 crores with a profit of Rs. 1.18 crores in the previous year. On consolidated basis, the revenue from operations (net) stood at Rs. 564.90 crores with a net profit of Rs. 14.20 crores in the current period under review against revenue from operations (net) of Rs. 514.42 crores with a profit of Rs. 96 lacs in the previous year.

6. CAUTIONARY STATEMENT:

Statements in "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions are forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. The actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Governmental regulations and tax structure, economic and political developments within India and the countries with which the Company has business.

Therefore, the Company assumes no responsibility in respect of forward looking statements herein which may undergo change in future on the basis of subsequent developments, information or events.



REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement entered with the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE), the Directors present the Company's Report on Corporate Governance for the financial year 2014-15 as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continuously strives to improve upon the systems and practices to ensure good Corporate Governance with transparency, professionalism and accountability in all its operations. The procedures adopted to ensure Corporate Governance has been set out keeping in view the size, complexity, global operations and traditional ethical values in the Company. The Company's approach is to make efforts to maximize benefits to the shareholders, employees, customers and general public at large. The Company's Code of conduct and Ethics is well structured. The Company's internal control systems are periodically reviewed and are subjected to regular assessment for its effectiveness. The integrity and fairness in dealing with the stakeholders of the Company is the main focus of the management. We at PCCPL are committed to good corporate governance and its adherence to the best practices in true spirits at all times. The culture of transparency, new development capabilities and identifying opportunities for value creation has been embedded in each and every employee of the Company.

2. BOARD OF DIRECTORS

The Board of Directors along-with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Company's Board plays a pivotal role in ensuring sound and ethical business practices. The Board of the Company has been constituted in compliance with the Companies Act, 2013 and the Listing Agreements entered with the Stock Exchanges.

The Board of Directors of the Company comprises of the Chairman, Vice Chairman, Managing Director, two Whole-time Directors and four (4) other Non-Executive Directors including a Woman Director as required under the provisions of Section 149 (3) of the Companies Act, 2013 as on March 31, 2015. The number of Independent Directors on the Board is three (3) including Chairman and Vice Chairman. All the Independent Directors have certified and confirmed that they meet the 'independence' criteria as mentioned in Clause 49 of the Listing Agreement. The shareholders at the 38th Annual General Meeting held on September 23, 2014 approved appointment of all the Independent Directors to hold office for five (5) consecutive years for a term upto the conclusion of the 43rd Annual General Meeting to be held in the calendar year 2019. The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company under the head "*Financials - Investor Relations*" (www.punjabchemicals.com).

The Company has a familiarization programme for the Independent Directors with regard to their roles, rights and responsibilities in the Company; nature of the industry in which the Company operate; the business models of the Company, etc. and the same is available on the website of the Company under the head "*Financials - Company Policies*."

3. ETHICS AND GOVERNANCE POLICIES:

The Company has adopted various Codes and Policies to carry out its functions in an ethical manner. Some of these Codes and policies are:

- a) Whistle Blower Policy.
- b) Policy for determining Material Subsidiaries.
- c) Nomination and Remuneration Policy.
- d) Performance Evaluation Policy for Board of Directors.
- e) Policy on Related Party Transactions.
- f) Familiarization Programme for Independent Directors.
- g) Policy on Prevention of Sexual Harassment at workplace.
- h) Code of Conduct to Regulate, Monitor and Report Trading by Insiders.
- i) PCCPL Code of Practices and Procedures for fair disclosure of unpublished price sensitive information.
- j) Code of Conduct and Ethics.
- k) Risk Management Policy.

These policies have also been placed on the website of the Company under the head "*Financials - Company Policies*."



4. BOARD MEETINGS AND BOARD COMMITTEE MEETINGS:

The Board is constituted by the shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategy direction, management policies and their effectiveness and ensures the long term interest of the stakeholders. The Board has constituted Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Assessment Committee, etc.

The Board is authorized to constitute additional functional committees as and when required.

The Composition of the Board of Directors as on date, their attendance at the Board Meetings held during the year, attendance at the last Annual General Meeting (AGM), the number of Directorship and Committee Chairmanships/ Memberships held by them and number of shares held by them as on March 31, 2015 are as under:

Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM on 23.9.2014	No. of Directorships held (including PCCPL)**	No. of Committee Positions held (including PCCPL)***		No. of shares held as on March 31, 2015
					Chairman	Member	
Shri Ghattu Ramanna Narayan Chairman (DIN:00020575)	Independent Non-Executive	4	Yes	3	1	1	Nil
Shri Mukesh Dahyabhai Patel (DIN:00009605)	Independent Non-Executive	5	Yes	5	5	2	400
Shri Shalil Shashikumar Shroff Managing Director (DIN:00015621)	Promoter Executive	5	Yes	2	Nil	1	380581
Capt. Surjit Singh Chopra (Retd.) (DIN:00146490)	Non-Independent Non-Executive	5	Yes	1	Nil	1	Nil
Shri Vijay Dilbagh Rai (DIN:00075837)	Independent Non-Executive	3	Yes	6	Nil	4	Nil
Smt. Sindhu Seth (DIN:00109298)	Woman Director Non-Independent Non-Executive	5	Yes	1	Nil	1	Nil
Shri Sheo Prasad Singh (DIN:06493455)*	Non-Independent Non-Executive	5	Yes	1	Nil	Nil	Nil
Shri Avtar Singh Whole Time Director (DIN:00063569)	Non-Independent, Executive	3	Yes	2	Nil	1	7911
Shri Shivshankar Shripal Tiwari Whole Time Director (DIN:00019058)	Non-Independent, Executive	4	Yes	1	Nil	Nil	11714

* Export-Import Bank of India had withdrawn the nomination of Shri Sheo Prasad Singh as a Nominee Director on the Board of Company w.e.f December 1, 2014. Later, he was appointed as an Additional Director on the Board of the Company w.e.f February 11, 2015.

** Directorships in Companies registered under Companies Act, 2013 (earlier Companies Act, 1956), excluding Directorship in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorship.

***Includes membership of Audit and Stakeholders Relationship Committees only.

Notes:

- None of the Directors is related to any other Director, except Shri Shalil Shashikumar Shroff and Capt. Surjit Singh Chopra (Retd.) being relatives.
- None of the Director has any business relationship with the Company.
- None of the Directors received any loans and advances from the Company during the year.
- Apart from the Directors' Sitting fees, the Company did not have any pecuniary relationship or transactions with non-executive Directors during 2014-15.



- (e) The details of the Directors proposed to be appointed/ re-appointed at the 39th Annual General Meeting are published elsewhere in the Annual Report.
- (f) None of the Directors held any Directorship in more than 10 Public Limited Companies.

Details of Board Meetings held during the period April 1, 2014 to March 31, 2015:

During the year, the Board met five (5) times on May 29, 2014; August 7, 2014; September 23, 2014; November 14, 2014 and February 11, 2015. The maximum gap between any two (2) Board Meetings was less than one hundred twenty (120) days. All material information was circulated to the Directors before the Meeting or placed at the meeting, including minimum information required to be made available to the Board under Clause 49 of the Listing Agreement.

The Company did not provide the facilities of convening any meeting of its Board through video conferencing or any audio-visual mode.

5. PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING.

Name of the Director	Avtar Singh
Date of Birth	October 4, 1958
Date of Appointment	November 14, 1996
Expertise in specific functional areas	His expertise is in Research & development, production and marketing and development of new chemicals, Pharmaceuticals, Agrochemicals and their intermediates.
Qualifications	B.Sc
Other Public Companies in which Directorship held	Saurav Chemicals Limited
Other Public Companies in which membership of Committees of Directors held	Audit Committee: 1. Saurav Chemicals Limited

Name of the Director	Shri Sheo Prasad Singh
Date of Birth	April 28, 1952
Date of Appointment	February 11, 2015
Expertise in specific functional areas	Commercial Banking including, Treasury, Direct/Indirect Taxation, management of Superannuation Funds
Qualifications	Msc., CAIIB, PGDFRM, PGDFA
Other Public Companies in which Directorship held	Nil
Other Public Companies in which membership of Committees of Directors held	Nil

Name of the Director	Shri Shivshankar Shripal Tiwari
Date of Birth	August 30, 1953
Date of Appointment	May 28, 2015
Expertise in specific functional areas	He is experienced in managing the chemical plants, production, manpower and domestic commercial market of chemicals.
Qualifications	M.Sc., Post graduate Diploma-Business Management
Other Public Companies in which Directorship held	Nil
Other Public Companies in which membership of Committees of Directors held	Nil



6. AUDIT COMMITTEE

The Audit Committee has adequate powers and detailed terms of reference to play an effective role as required under the provisions of the Companies Act, 2013 and Clause 49 of the Company's Listing Agreement with the Stock Exchanges.

Terms of Reference:

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality.

The terms of reference of the Audit Committee are broadly as under:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to Board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors, including Cost Auditors, and fixation of audit fees and other terms of appointment.
3. Approving payment to Statutory Auditors, including cost Auditors for any other services rendered by them
4. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of Inter-Corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of Internal Financial Controls and Risk Management Systems.
12. Reviewing, with the management, External and Internal Auditors, the adequacy of the Internal Control Systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.



18. To review the functioning of the Whistle Blower Mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. To grant Omnibus approval for Related Party Transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.
21. Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
22. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors.

Composition:

During the last financial year, the Audit Committee met five (5) times on May 29, 2014; August 7, 2014; September 23, 2014; November 14, 2014 and February 11, 2015. The maximum gap between any two (2) Audit Committee Meetings was less than four (4) months.

The necessary quorum was present in all the meetings.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Sr.No.	Name of Director	Category	Position	No. of Committee Meetings during 2014-15	
				Held during tenure	Attended
1	Shri MukeshDahyabhaiPatel	Non-Executive / Independent	Chairman	5	5
2	Shri Vijay DilbaghRai	Non-Executive / Non-Independent	Member	5	3
3	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non-Independent	Member	5	5
4.	Shri GhattuRamanna Narayan (w.e.f 07.08.2014)	Non-Executive / Independent	Member	4	4
5.	Smt. Sindhu Seth (inducted w.e.f. 11.02.2015)	Non-Executive / Non-Independent	Member	1	1

After change in the constitution of the Board of the Company as detailed more particularly in the Directors' Report, the Committee was reconstituted on May 28, 2015 by the Board of Directors by inducting Shri Sheo Prasad Singh as Member of the Committee in place of Shri Ghattu Ramanna Narayan.

The Company has complied with the requirements of Clause 49 (III) (A) with respect to the composition of the Audit Committee. All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

At the Annual General Meeting held on September 23, 2014, the Chairman of the Audit Committee, Shri Mukesh Dahyabhai Patel was present.

The Committee meetings are usually attended by the Managing Director, Chief Financial Officer and Statutory Auditors of the Company. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary of the Company acts as the Secretary of the Committee.

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors in its Meeting held on May 29, 2014 changed the nomenclature of the Shareholders & Investors Grievance Committee to Stakeholders Relationship Committee.

**Terms of Reference:**

Terms of Reference of the Committee, inter alia, includes the following:

- i) Oversee and review all matters connected with the transfer of the Company's securities
- ii) Approve issue of the Company's duplicate share certificates
- iii) Monitor redressal of Investors' / Shareholders' / Security holders' grievances
- iv) Oversee the performance of the Company's Registrars and Transfer Agents
- v) Recommend methods to upgrade the standard of services to Investors
- vi) Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.
- vii) Any other function, duty as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other Regulatory Authority or under any applicable laws, as amended from time to time.

Composition:

The Committee met four (4) times during the year on May 29, 2014; August 7, 2014; November 14, 2014; and February 11, 2015.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings during 2014-15	
				Held during tenure	Attended
1	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Chairman	4	4
2	Shri Shalil Shashikumar Shroff	Executive / Non-Independent	Member	4	4
3	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Member	4	2
4	Shri Avtar Singh	Executive / Non-Independent	Member	4	2

Shri Punit K Abrol, Sr.V.P. (Finance) & Company Secretary is designated as the Compliance Officer.

During the year, 3 complaints were received from investors. All the complaints have been solved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year.

The Board of Directors of the Company have delegated the power to transfer the shares by any one of Shri Shalil Shashi Kumar Shroff, Managing Director, or Shri Avtar Singh, Director (Operations & Business Development), or Shri Punit K Abrol, Sr. V P (Finance) & Company Secretary. During the year 2014-15, all transactions viz. shares transfers, transmission, split/consolidation, duplicate share certificates, etc. were approved on a weekly basis by Shri Punit K. Abrol, Sr. V P (Finance) & Company Secretary. All the above referred transactions approved by the authorized persons are placed before the Stakeholders Relationship Committee.

8. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors in its Meeting held on May 29, 2014 changed the nomenclature of the Remuneration Committee to Nomination and Remuneration Committee.

Terms of reference:

The terms of reference of the Committee has been expanded in terms of the provisions of the Companies Act, 2013 and the Listing Agreement which includes:

1. Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
2. Evaluation of performance of all Directors on the Board.



3. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
4. Formulation of criteria for evaluation of Independent Directors and the Board.
5. Devising a policy on Board diversity.

Composition:

The Committee met two (2) times during the year on August 7, 2014; and February 11, 2015.

The Nomination and Remuneration Committee of the Board of Directors of the Company consists of the following Directors:

Sr.No.	Name of Director	Category	Position	No. of Committee Meetings during 2014-15	
				Held during tenure	Attended
1	Shri Vijay Dilbagh Rai	Non-Executive/ Independent	Chairman	2	1
2	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	2	2
3	Shri Sheo Prasad Singh (Inducted w.e.f. 11.02.2015)	Non-Executive / Independent	Member	2	2
4	Smt. Sindhu Seth (Inducted w.e.f. 11.02.2015)	Non-Executive / Non-Independent	Member	1	1

Remuneration Policy:

The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to the approval of shareholders, where necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and other employees of the quality required to run the Company successfully. The remuneration of the Board members is based on the Company's size & global presence, its economic & financial position, industrial trends; compensation paid by the peer Companies, etc.

- a) The Company pays remuneration to its Managing Director and Whole-time Directors by way of salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders. The Board, on the recommendations of the Nomination and Remuneration Committee, approves annual increments to the Managing Director and the Whole-Time Directors. The commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in Section 197 of the Companies Act, 2013.
- b) The Non-Executive Directors are paid remuneration by way of commission and sitting fees. The Company paid sitting fees of Rs. 5000/- per meeting to its Non-Executive Directors for attending the meeting of the Board and other Committees up to August 7, 2014 and since, September 23, 2014, the Company is paying Rs. 15000/- per meeting for attending the meeting of the Board and other Committees. The commission is paid as per the limits approved by shareholders, subject to a limit not exceeding 1% p.a. of the Company (computed in accordance with Section 198 (1) of the Companies Act, 1956) and in such proportion and manner as the Chairman may decide.
- c) The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and Committees of the Board of Directors. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated



on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Details of Remuneration to Directors:

The Directors' remuneration and sitting fees paid/payable in respect of the Financial Year 2014-15, are given below:

Name of Director	Sitting fees for Board / Other Committees Meetings (Rs)	Salaries and other perquisites (Rs)	Other Remuneration (Rs)	Commission (Rs)	Total (Rs)
Ghattu Ramanna Narayan	1,05,000	Nil	Nil	Nil	1,05,000
Capt. Surjit Singh Chopra (Retd.)	1,10,000	Nil	Nil	Nil	1,10,000
Vijay Dilbagh Rai	1,20,000	Nil	Nil	Nil	1,20,000
Mukesh Dahyabhai Patel	2,00,000	Nil	Nil	Nil	2,00,000
Shalil Shashikumar Shroff	Nil	43,47,487	Nil	Nil	43,47,487
Avtar Singh	Nil	34,41,386	Nil	Nil	34,41,386
Shivshankar Shripal Tiwari	Nil	37,85,134	Nil	Nil	37,85,134
Sheo Prasad Singh	75,000	Nil	Nil	Nil	75,000
Sindhu Seth	85,000	Nil	Nil	Nil	85,000
TOTAL	6,95,000	1,15,74,007	Nil	Nil	1,22,69,007

Notes:

1. The employment of Shri Shalil Shashikumar Shroff, Managing Director is contractual for a period of three (3) years as approved by the Central Government whereas the employment of Shri Avtar Singh, Director (Operations & Business Development) and Shri Shivshankar Shripal Tiwari, Whole Time Director is contractual for a period of five (5) years. The employment is terminable by either party giving three (3) months notice or as may be mutually decided between them and the Company.
2. Severance compensation is payable to the Managing Director and the Whole-time Director, if his office is terminated before the contractual period, subject to the provisions and limitations specified in Section 202 of the Companies Act, 2013.
3. The Sitting fee paid to Shri Sheo Prasad Singh upto December 1, 2014 has been paid to EXIM Bank, as per the nomination letter received from EXIM Bank.
4. There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.
5. No Commission was paid to the Directors since the financial year 2008-09.

9. OTHER COMMITTEES

a) Risk Assessment Committee:

Evaluation of business risk and managing the risk has always been an ongoing process in your Company. The Risk Assessment Committee assists the Board in fulfilling its corporate governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks.

One Meeting of the Risk Assessment Committee was held on February 11, 2015.



The Composition of the Risk Assessment Committee and details of the Meeting attended by its Members are given below:

Sr.No.	Name of Director	Position	Category	No. of Committee Meetings during 2014-15	
				Held during tenure	Attended
1.	Shri Shalil Shashikumar Shroff	Chairman	Executive / Non-Independent	1	1
2.	Shri Avtar Singh	Member	Executive / Non-Independent	1	1
3.	Shri Shivshankar Shripal Tiwari	Member	Executive / Non-Independent	1	1
4.	Shri Mukesh Dahyabhai Patel	Member	Non- Executive / Independent	1	1

b) Corporate Social Responsibility Committee:

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on May 29, 2014 has constituted a Corporate Social Responsibility Committee consisting of majority of Independent Directors.

The Composition of the Committee is given below:

Sr. No.	Name of the Director	Category	Position in Committee
1.	Shri Ghattu Ramanna Narayan	Non- Executive / Independent	Chairman
2.	Shri Shalil Shashikumar Shroff	Executive / Non-Independent	Member
3.	Shri Mukesh Dahyabhai Patel	Non- Executive / Independent	Member
4.	Capt. Surjit Singh Chopra (Retd.)	Non- Executive / Non-Independent	Member
5.	Smt. Sindhu Seth	Non- Executive / Non-Independent	Member

After change in the constitution of the Board of the Company as detailed more particularly in the Directors' Report, the Committee was reconstituted on May 28, 2015, Shri Ghattu Ramanna Narayan is not a Member of the said Committee.

The terms of reference of the Committee includes:

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy;
- Monitoring CSR Policy of the Company from time to time;
- Instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and
- To perform any other function or duty as stipulated by the Companies Act and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

As a good corporate citizen, the Company continued to contribute funds as and when necessary for the charitable or religious purposes, inspite of running into severe losses in the past.

c) Independent Directors' Meeting:

During the year under review, the Independent Directors met on February 11, 2015, inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.



- iii. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Shri Vijay Rai has been appointed as Lead Independent Director to Chair the Meeting of the Committee.

d) Complaint Redressal Committee:

The Company has set in place an Anti Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 named as Policy on 'Prevention of Sexual Harassment at Workplace'. Under this policy, an appropriate complaint mechanism in the form of "Complaint Redressal Committee" has been created in the Company for time-bound redressal of the sexual harassment complaint made by the victim.

The Committee comprises of the following Members:

Sr. No.	Name of the Director	Designation	Position in Committee
1.	Shri Ravinder Chaddha	V.P (HR & Admin)	Chairman
2.	Shri Joginder Singh	Representative of Workers' Union	Member
3.	Smt. Pushpa Khanna	Member of NGO	Member
4.	Ms. Reetika Chopra	Assistant Manager (Secretarial)	Member
5.	Head of the Division/ Plant	Appointed by the Managing Director	Member

10. GENERAL MEETINGS

Location and Time of the last three Annual General Meetings:

Year	Location	Day/Date	Time	No. of Special Resolutions
2011-2012	PHD House, Sector-31, Chandigarh	Saturday, December 29, 2012	10.30 A.M.	1
2012-2013	PHD House, Sector-31, Chandigarh	Wednesday, September 4, 2013	10.30 A.M.	Nil
2013-2014	PHD House, Sector-31, Chandigarh	Wednesday, September 23, 2014	4.00 P.M.	6

Following Special Resolutions were passed at the aforesaid Meetings.

Sr. No.	Meeting Date	Section Reference	Regarding
1.	29.12.2012	198, 269, 309 and 311 of the Companies Act, 1956.	Reappointment of Shri Avtar Singh as the Whole-Time Director of the Company and to fix his remuneration.
2.	04.09.2013	Nil	Nil
3.	23.09.2014	Section 14 of the Companies Act, 2013	To amend the Articles of Associations of the Company under section 14 of the Company Act, 2013.
		196, 197, 198, and 203 of the Companies Act, 2013	Reappointment of Shri Shalil Shroff Managing Director of the Company and to fix his remuneration.
		196, 197, 198, and 203 of the Companies Act, 2013	Reappointment of Shri Avtar Singh as the Whole-Time Director of the Company and to fix his remuneration.
		180 (1) (c) of the Companies Act, 2013	To approve the Borrowing limits of the Company.
		180 (1)(a) of the Companies Act, 2013	Creation of the Charges on the assets of the Company.
		188 (1)(f) of the Companies Act, 2013	Approval for appointment & payment of Remuneration to Mr. Jaskaran Singh u/s 188 (1) (f) of the Companies Act, 2013.



Postal Ballot:

During the year under review, no Resolution has been passed through the exercise of postal ballot. However, during the year under review, following one (1) Special Resolution was proposed to the Members of the Company by way of Postal Ballot. The details are given as follows:

S. No.	Date of result of Postal Ballot	Particulars of resolution	Type of resolution	Details of voting pattern	
				Votes cast in favour (No. of shares)	Votes cast against (No. of shares)
1.	April 8, 2015	Payment of remuneration to Shri Avtar Singh, Whole Time Director	Special Resolution	70,32,432	48

Shri S.K. Sharma, of M/s S.K. Sharma & Associates, Practicing Company Secretary, Chandigarh, was appointed as the Scrutinizer for conducting the Postal Ballot process and to compile the results of the voting of these resolutions.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.

11. DISCLOSURES

a) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the Financial Statements.

The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's Website.

b) Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

c) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

d) Whistle Blower Policy:

The Company has adopted a whistle blower policy enable the Directors and Employees to report instances of genuine concerns regarding illegal activities, unethical behaviour and actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy.

The Policy also provides for adequate safeguards against the victimization of concerned who avail of the Vigil Mechanism. It also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

It is affirmed that no person has been denied access to the Audit Committee.

e) Non-Mandatory Requirements:

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered into with Stock Exchanges.

The status of adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement is as under:

- The Chairman of the Company is a Non Executive Director and the Company reimburses him the expenses incurred in performance of his duties.
- The Company has appointed separate persons to the post of the Chairman and the Managing Director/ CEO.
- The Internal Auditor reports to the Managing Director and has direct access to the Audit Committee.



12. MEANS OF COMMUNICATION

- a) The Company regularly intimates un-audited as well as audited quarterly, half-yearly and annual financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in the Business Standard (all and Hindi Edition in Chandigarh) and Amar Ujala, Chandigarh; and are also displayed on the website of the Company www.punjabchemicals.com.

In compliance with Clause 52 of the Listing Agreement, the quarterly results, Shareholding Pattern, quarterly compliances and all other Corporate Communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal and through Corporate Filing and Dissemination System (CFDS) website www.corpfiling.co.in. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal. The Company has complied with filing and submissions through BSE's BSE Online Portal. These results are also posted on www.corpfiling.com.

- b) Management Discussion and Analysis forms part of the Annual Report.

13. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time	:	September 11, 2015 at 9:30a.m
Venue	:	PHD House, Sector- 31, Chandigarh.
Financial Year	:	Year ending March 31, 2015.
Date of Book Closure	:	September 4, 2015 to September, 11, 2015
Dividend payment date	:	N.A

Listing on Stock Exchanges:

The Company's shares are listed on:

1. BSE Limited (BSE)
2. National Stock Exchange of India Limited (NSE)

Stock Codes/Symbol (for shares)

BSE Limited (Code)	:	506618
National Stock Exchange of India Ltd. (symbol)	:	PUNJABCHEM
De-mat ISIN Number in NSDL & CDSL	:	INE277B01014

b) Market Price Data:

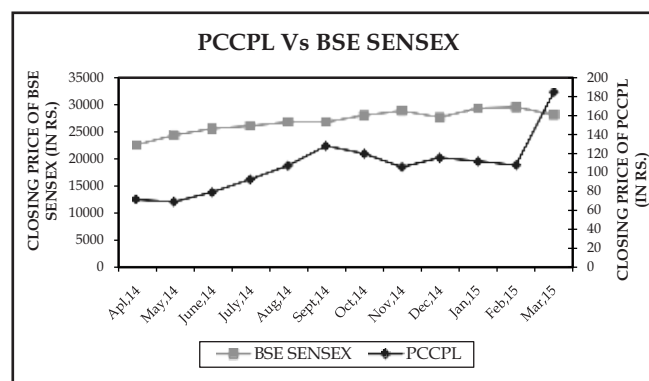
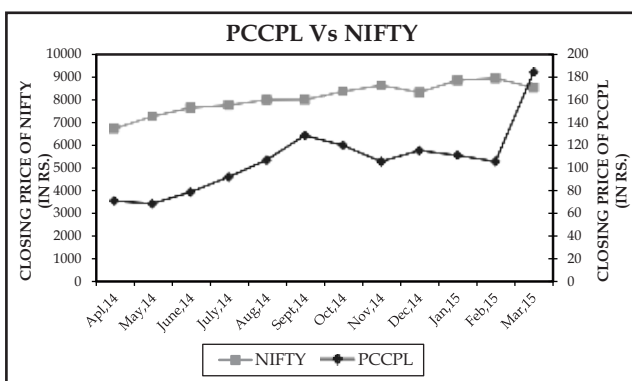
MONTH & YEAR	PCCPL Price at BSE (Rs.)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
April,2014	78.45	69.25	71.05	22939.91	22197.51	22417.80
May,2014	86.40	65.60	68.65	25375.63	22277.04	24217.34
June,2014	79.90	61.80	78.80	25725.12	24270.20	25413.78
July,2014	110.95	78.00	92.20	26300.17	24892.00	25894.97
Aug,2014	112.45	87.25	106.60	26674.38	25232.82	26638.11
Sept,2014	142.85	102.55	127.25	27354.99	26220.49	26630.51
Oct,2014	128.90	113.50	119.15	27894.32	25910.77	27865.83
Nov,2014	125.00	90.25	105.00	28822.37	27739.56	28693.99
Dec,2014	119.45	101.00	114.80	28809.64	26469.42	27499.42
Jan,2015	125.00	109.00	111.15	29844.16	26776.12	29182.95
Feb,2015	119.60	100.00	107.00	29560.32	28044.49	29361.50
Mar,2015	185.00	103.80	183.70	30024.74	27248.45	27957.49



MONTH & YEAR	PCCPL Price at NSE (Rs.)			NSE NIFTY		
	High	Low	Month Close	High	Low	Month Close
April,2014	78.50	68.90	70.05	6869.85	6650.40	6696.40
May,2014	85.70	62.15	68.20	7563.50	6638.55	7229.95
June,2014	78.75	61.40	78.25	7700.05	7239.50	7611.35
July,2014	109.60	78.00	91.45	7840.95	7422.15	7721.30
Aug,2014	112.00	86.50	106.40	7968.25	7540.10	7954.35
Sept,2014	144.00	104.00	127.95	8180.20	7841.80	7964.80
Oct,2014	130.00	111.10	119.25	8330.75	7723.85	8322.20
Nov,2014	123.95	92.05	105.00	8617.00	8290.25	8588.25
Dec,2014	117.80	101.00	114.65	8626.95	7961.35	8282.70
Jan,2015	125.00	106.95	110.45	8996.60	8065.45	8808.90
Feb,2015	118.80	97.55	105.00	8941.10	8470.50	8901.85
Mar,2015	185.40	102.05	183.40	9119.20	8269.15	8491.00

c) Share Price Movements:

The charts given hereunder plots the movement of the Company's Equity share prices on BSE versus BSE Sensex and Company's Equity share prices on NSE versus NSE NIFTY, respectively, for the year 2014-15:



d) Registrar and Share Transfer Agent (RTA):

The Registrar and Share Transfer Agent of the Company is M/s Alankit Assignments Ltd., Alankit Heights, 1E/13, Jhandewalan Extension, New-Delhi- 110055.

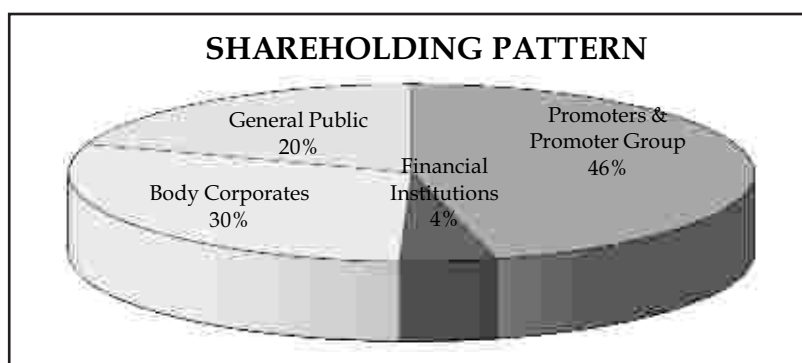
e) Share Transfer System:

RTA processes the share transfer/ transmission requests on a weekly basis and the share transfers in physical form are approved by the Sr. V.P (Finance) & Company Secretary, as per the authority delegated to him by the Board of Directors to, inter alia, approve the share transfers and transmission.

The shares are normally transferred every week and returned within a period of 15 days from the date of receipt, if the documents are in order in all respects. There are no share transfers pending as on March 31, 2015.

Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of Share Certificates provided the documents are complete in all respects.

As required under clause 47 (c) of the Listing Agreement, a Certificate from the Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time on half yearly basis confirming due compliance of share transfer formalities by the Company.



g) Dematerialization of shares and liquidity:

As per extant guidelines, trading in equity shares of the Company is mandatory in dematerialised form. To facilitate trading in demat form, there are two depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2015, 97.88 % of the Company's share capital is held in dematerialised form. The Company's shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

h) Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

Not applicable

i) Unclaimed Shares:

In terms of Clause 5A(II) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts which were issued in physical form, respectively:

Particulars	No. of share holders	No. of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	2996	36266
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	1	3
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	3
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year as on 31.03.2015	2995	36263

The voting rights on these outstanding shares lying in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

j) Address for correspondence by investors:

- a. For transfer/ transmission of shares held in physical form, duplicate share certificates, change of address and any other query relating to the shares, Investors may communicate with **Registrar & Share Transfer Agent** at the Following Address:

Alankit Assignment Ltd,
RTA Division, Alankit Heights
1E/13, Jhandewalan Extension,
New Delhi-110055

Tel: 011-42541234
011-23541234
Fax: 011-41543474
E-mail: rta@alankit.com

- b. For information/ query regarding the dividends, Investors should communicate with the Company.
- c. Shareholders holding shares in demat form, should address all correspondence to their respective depository participants.
- d. Shri Punit K. Abrol, Sr. Vice President (Finance) & Company Secretary is the Compliance Officer of the Company. For investor queries, the Compliance Officer may be contacted on an exclusive email ID: investorhelp@punjabchemicals.com.

**Nomination Facility:**

Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Desirous Members may approach to the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in de-mat form, for availing the same facility.

k) Plant Locations:

Location of Manufacturing Sites:	
Agro-Chemicals Division Milestone-18, Ambala Kalka Road, P.O. Bhankharpur, Distt. SAS Nagar, Mohali (Pb.) 140 201 Ph. : 01762-280086, 280094, 522253 Fax : 01762-280070 Email :factoryinfo@punjabchemicals.com	Pharma Division - Unit Alpha Drug Villages: Kolimajra & Samalheri P.O.: Lalru, Distt. SAS Nagar Mohali (Pb) Ph.: 01762-275519,506996 Fax: 01762-275308,506999 Email:pharmainfo@punjabchemicals.com

l) Address for Correspondence:

Registered Office S.C.O : 183, First Floor, Sector - 26, Madhya Marg, Chandigarh 160 019. Tel: 0172-5008300/ 5008301 Fax : 0172-2790160 E-mail: info@punjabchemicals.com	Corporate Office Plot No. 645-46, 4th/5th Floor, Oberoi Chambers II, New Link Road, Andheri (W), Mumbai-400 053. Ph: 022-26747900 (30 lines), Fax:022-26736013, 26736193 Email: enquiry@punjabchemicals.com
Hyderabad Office 414, Navketan Complex, Opp. Clock Tower Garden, 62, S.D. Road, Secunderabad -500 003. Ph.:040-27805662 Fax:040-27805663 Email: Jose@punjabchemicals.com	Ahmedabad Office 205-206, Supath - II Complex, Ashram Road Near Vadaj Bus Terminus, Ahmedabad-380 013 Cell : 09898892994, Ph.: 079-27552583 Fax : 079-27561127 Email: kalendu@punjabchemicals.com

m) Group Companies:

Sintesis Quimica S.A.I.C Scalabrini Ortiz 3333 , 2nd Floor, Buenes Aires, Argentina (C1425DCB). Tel:54-11-4802-2600	SD Agchem (Europe) NV Uitbreidingstraat 84/B3 2600, Berchem (Antwerp), Belgium. Tel:0032 3542 5722 Fax: 0032 3232 3735 Email:fborges@sdagchem.be	STS Chemicals (UK) Ltd. 14 Pollard Way, Gomersal, Cleckheaton, West Yorkshire. BD 19 4PR
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14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent and qualified Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited(CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

15. CEO/CFO CERTIFICATION

In terms of Clause 49(IX) of the Listing Agreement, the Certificate duly signed by Shri Shalil Shashikumar Shroff Managing Director and Shri Vipul Joshi, Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended March 31, 2015 at its meeting held on May 28, 2015, forms part of this report.

16. MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT AND ETHICS

The Board of Directors of the Company has laid down Code of Conduct and Ethics ("Code") for all the Board Members and Senior Management Personnel of the Company. The updated Code incorporates duties of Independent Directors. The Code is available on the website of the Company i.e. www.punjabchemicals.com.

All the Board Members and Senior Management have affirmed their compliance with the Code for the financial year ended March 31, 2015. A declaration to this effect in compliance with Clause 49(II)(E) of the Listing Agreement, duly signed by Shri Shalil Shashikumar Shroff, Managing Director of the Company, also forms part of this report.



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined all the relevant records of Punjab Chemicals and Crop Protection Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the year ended March 31, 2015. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

For **S.K. Sharma & Associates**

Company Secretaries

Sd/-

S.K. Sharma

FCS No: 374, C.P No. 3864

Place: Chandigarh

Date: May 28, 2015

DECLARATION UNDER CLAUSE 49 II(E)

For Compliance with the Code of Conduct

As per the requirement of clause 49 of the listing Agreement with the stock exchange, the Company has laid down a code of conduct for its Board of Directors and Senior Management.

I, Shalil Shroff, Managing Director of the Company, confirm the compliance of this Code of conduct by myself and other members of the Board of Directors and Senior Management personnel as affirmed by them individually for the financial year ended March 31, 2015.

For **Punjab Chemicals & Crop Protection Limited**

Shalil Shroff (Managing Director)

(DIN No.: 00015621)

Place : Mumbai

Date: May 28, 2015

CERTIFICATE

To the Board of Directors of **Punjab Chemicals and Crop Protection Limited**

I, Shalil Shashikumar Shroff, Managing Director and Vipul Joshi, Chief Financial Officer of the Company certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
 - i) There has not been any significant changes in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) There has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

Shalil Shashikumar Shroff

Managing Director

(DIN No.: 00015621)

Vipul Joshi

Chief Financial Officer

Place: Mumbai

Date: May 28, 2015

Report on Corporate Governance | 52



INDEPENDENT AUDITOR'S REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements

that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the



Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E

per Ravi Bansal

Partner

Membership Number: 49365

Place of signature: Mumbai

Date: May 28, 2015

Annexure to the Auditor's Report

Annexure referred to in paragraph 1 under the heading "Report on Other legal and Regulatory Requirement of our report of even date

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for furniture, fixture and equipments for certain location where item wise particulars in fixed asset register and tagging of fixed assets are in the process of updation.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly a portion of the fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service



tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs. in Lacs) (net of advances paid)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act	Excise Duty/ Service Tax demands	572	2005-06 to 2012-13	Deputy Commissioner Central Excise, Commissioner and CESTAT
Income Tax Act, 1961	Tax / Interest	616	2007-08 and 2008-09	Income Tax Appellate Tribunal.
The Punjab Sales Tax Act	Penalty	11	2004-05	Entry Tax Officer, Shambhu Barrier

- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash loss in the current year and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company had delayed in certain repayments of dues (including interest) to banks. The delayed principal amount and the interest aggregate to Rs. 4,692 lacs and Rs. 942 lacs respectively (delays ranging from 1 day to 913 days). Of the above, Rs. 4,074 lacs

(including interest of Rs. 463 lacs) is outstanding at the balance sheet date and is pertaining to period post Corporate Debt Restructuring Scheme (CDR) which is effective and as approved by Corporate Debt Restructuring Empowered Group (CDR EG). Out of the outstanding balance as at March 31, 2015, Rs. 236 lacs have been repaid subsequently, Rs. 1,588 lacs pertains to amounts due to State Bank of India for which the State Bank of India has sanctioned the One Time Settlement to the Company (as referred in Note 46 of the attached financial statements). The Company has not defaulted in repayment of dues to financial institutions and the Company did not have any outstanding dues in respect of debenture holders during the year.

- (x) According to information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **SRBC & COLLP**

ICAI Firm registration number: 324982E

Chartered Accountants

per **Ravi Bansal**

Partner

Membership No.: 49365

Place of signature: Mumbai

Date: May 28, 2015



BALANCE SHEET AS AT 31 MARCH 2015

			(Rs. in lacs)
	Notes	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,226	1,226
Reserves and surplus	4	691	656
		1,917	1,882
Non-current liabilities			
Long-term borrowings	5	11,490	16,415
Long-term provisions	6	985	794
		12,475	17,209
Current liabilities			
Short-term borrowings	7	9,472	10,330
Trade payables	8a	6,020	7,055
Other current liabilities	8b	11,387	9,779
Short-term provisions	6	767	759
		27,646	27,923
Total		42,038	47,014
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	20,745	21,866
Intangible assets	10	1,316	1,488
Capital work-in-progress		560	53
Intangible assets under development		115	66
Non-current investments	11	348	338
Long-term Loans and advances	12	3,026	1,904
Trade receivables	13	-	-
Other non-current assets	17	458	559
		26,568	26,274
Current assets			
Current investments	14	3	-
Inventories	15	5,719	6,584
Trade receivables	13	5,866	6,821
Cash and bank balances	16	647	2,382
Short-term Loans and advances	12	2,508	3,168
Other current assets	17	727	1,785
		15,470	20,740
Total		42,038	47,014
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm registration number: 324982E
Chartered Accountants

per **RAVI BANSAL**
Partner
Membership No. 49365
Place : Mumbai
Date : May 28, 2015

For and on behalf of the Board of Directors of
Punjab Chemicals & Crop Protection Limited

MUKESH D PATEL
Vice Chairman

PUNIT K. ABROL
Sr. Vice President (Finance) &
Company Secretary
Place : Mumbai
Date : May 28, 2015

SHALIL SHROFF
Managing Director

VIPUL JOSHI
Chief Financial Officer

AVTAR SINGH
Director (Operations &
Business Development)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

			(Rs. in lacs)
	Notes	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Income			
Revenue from operations (gross)	18	42,196	43,084
Less: Excise duty		1,225	1,398
Revenue from operations (net)		40,971	41,686
Other income	19	1,057	1,628
Total revenue		42,028	43,314
Expenses			
Cost of raw materials consumed	20	23,249	23,255
Purchase of traded goods	21	336	1,215
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	325	(1,384)
Employee benefits expense	23	4,384	4,710
Operating and other expenses	24	8,233	10,330
Total expenses		36,527	38,126
Earnings before interest, tax, depreciation and amortization (EBITDA)		5,501	5,188
Depreciation and amortization expenses	25	1,758	1,484
Finance costs	26	3,170	3,248
Profit before tax and exceptional items		573	456
Exceptional items	27	217	338
Profit before tax but after exceptional items		356	118
Tax expenses		-	-
Profit for the year		356	118
Earnings per equity share [nominal value of share Rs. 10 each (Previous year: Rs. 10 each)]			
Basic and diluted (in Rs.)	28	2.91	0.96
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm registration number: 324982E
Chartered Accountants

per **RAVI BANSAL**
Partner
Membership No. 49365

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AVTAR SINGH
Director (Operations &
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CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
	(Rs. in lacs)	
Cash flow from operating activities		
Profit before tax	356	118
Adjustments for :		
Depreciation and amortization expenses	1,758	1,484
Sundry credit balance written back (net)	(58)	(182)
Interest income	(338)	(155)
Dividend income	-	(0.17)
Income in respect of government grants	(4)	(4)
Finance costs	3,170	3,248
Profit on sale of fixed assets (net)	(37)	(4)
Unrealised foreign exchange Loss/(Gain) (net)	638	(1,067)
Advances written off	49	56
Provision for doubtful advances (net)	16	374
Provision for diminution in value of Investments	-	4
Provision for doubtful debts (net)	227	946
Operating Profit before working capital changes	5,777	4,818
Movement in working capital		
Decrease/(Increase) in trade receivables	697	(254)
Decrease/(Increase) in inventories	865	(1,756)
Decrease/(Increase) in other current assets and non-current assets	17	(448)
Decrease/(Increase) in long-term and short-term loans and advances	(790)	(34)
Increase/(Decrease) in trade payables and other current liabilities	(1,834)	1,234
Increase/(Decrease) in long-term and short-term provisions	199	207
Cash generated from operations	4,931	3,767
Direct taxes paid	(87)	(163)
Net cash generated from operating activities	4,844	3,604
Cash Flow from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,599)	(757)
Proceeds from sale of fixed assets	1,239	41
Investment in Shares and Mutual funds	(13)	-
Investment in Fixed deposits (with maturity more than three months)	37	29
Maturity of Fixed deposits (with maturity more than three months)	-	303
Interest received	310	156
Dividend received	-	0.17
Net cash generated/(used) from/in investing activities	(26)	(228)
Cash flow from financing activities		
Proceeds from borrowings	-	2,610
Repayments of borrowings	(4,095)	(1,199)
Interest Paid	(2,421)	(2,892)
Net cash generated/(used) from/in financing activities	(6,516)	(1,481)



	1 April 2014 to 31 March 2015	(Rs. in lacs) 1 April 2013 to 31 March 2014
Net increase/(decrease) in cash and cash equivalents	(1,698)	1,895
Cash and cash equivalents at the beginning of the year	2,326	431
Cash and cash equivalents at the end of the year	628	2,326
Components of cash & cash equivalents		
Cash on hand	4	5
With banks		
a) on current account	543	2,259
b) on deposit account with original maturity of less than three months	73	50
c) on unpaid dividend account*	8	12
Total cash & cash equivalents (note 17)	628	2,326

*These balances are not available for use by the company as they represent corresponding unpaid dividend liability.

Summary of significant accounting policies 2.1

Notes:

- Comparative figures have been regrouped wherever necessary.
- The Cash Flow statement has been prepared under indirect method as set out in the Accounting Standard - 3 on "Cash Flow Statements" as notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm registration number: 324982E
Chartered Accountants

per **RAVI BANSAL**
Partner
Membership No. 49365

Place : Mumbai
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For and on behalf of the Board of Directors of
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Place : Mumbai
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SHALIL SHROFF
Managing Director

VIPUL JOSHI
Chief Financial Officer

AVTAR SINGH
Director (Operations &
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Corporate information

Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Company") is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates. The Company has presence in both the domestic and international markets.

2. Basis of preparation

- A) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of land and building for which revaluation is carried out. The accounting policies adopted in preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.
- B) The accumulated losses of the Company as at the close of the financial year exceeded 50% of the Shareholder's Funds (excluding accumulated losses) as at March 31, 2015 and the current liabilities have exceeded current assets by Rs. 12,176 lacs. Based on the strategic long term supply contracts with its customers with minimum commitment of supply of products and the future business plans the management is confident that the Company will be able to generate profits in future years and meet its financial obligation as they arise accordingly, the accompanying financial statements have been prepared on a going concern basis.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

b. Fixed assets

- Tangible Fixed assets

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and amortization, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Items of fixed assets that are held for disposal are stated at the lower of their book value and net realisable value and are shown separately in the financial statement under Other Current Assets. Any expected loss is recognised immediately in the statement of Profit and Loss.

- Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

c. Depreciation and amortization

- i) Till the year ended 31 March 2014, Schedule XIV to the Companies Act 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to Companies Act 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(a) Useful lives / depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.



Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Had there not been any change in the useful life of assets, depreciation for the year would have been lower by Rs. 448 Lacs.

- ii) Depreciation on fixed assets is calculated on a straight line method for buildings, plant & equipments and electrical installations in accordance with section 123 of the Companies Act, 2013 except in respect of the following assets based on technical estimates as per life specified below.

Factory building - 28 years

Office building- 58 years

Reactors, Pumps & Tanks and Piping in plants- 5 to 20 years

Electrical Motors & Works- 12 to 20 years

Generators and Ejectors- 10 to 15 years

In respect of all other Fixed Assets, on written down value basis in accordance with section 123 of the Companies Act, 2013 at the life specified in Schedule II to the Companies Act, 2013.

- iii) Cost of Computer Software/License is amortized on straight line basis over a period of three years.
- iv) Product Registration (including testing charges, task force studies and other related expenses) for new market development considered as intangible assets and are amortized from and over the period of registration with a maximum period of 10 years on straight line basis.
- v) The premium on leasehold land is amortized on straight line basis over the period of lease.
- vi) Technical Know how is amortised on a straight line basis over a period of 5 years.

d. Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised

carrying amount of the asset over its remaining useful life.

e. Leases

Company is lessee

Finance lease

- i) Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.
- ii) If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset, the lease term and Schedule II as per the Companies Act, 2013.

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company is lessor

Operating lease

Assets subject to operating leases are included in fixed assets. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc are recognized immediately in the statement of profit and loss.

f. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long-term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**g. Inventories**

- i) Raw Materials, Stores and Spares and Packing Materials are valued at lower of cost or net realizable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- ii) Traded Goods are valued at lower of cost or net realizable value. Cost is determined on a weighted average basis.
- iii) Finished goods and Work-in-Progress are valued at lower of cost or net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- iv) By Products are valued at net realizable value.
- v) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes excise duty but does not include sales tax / value added tax. Excise duty deducted from revenue from operations (gross) is the amount that is included revenue from operations (gross) and not the entire amount of liability arising during the year.

Income from services

Income from services rendered is recognized based on the terms of the agreements as and when services are rendered and are net of service tax (wherever applicable).

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend income is recognized when the Companies right to receive dividend is established by the balance sheet date.

Export benefits

Raw Material imported duty free under Advance License

are accounted for inclusive of Custom Duty. Benefits are accrued under the Duty Entitlement Pass Book Scheme (DEPB) and Duty Free Import Authorization (DFIA) Scheme has been classified under the head "Export Benefits" in "Other operating revenue".

i. Research and development costs

Research costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete the asset,
- Its ability to use or sell the asset,
- How the asset will generate future economic profits,
- The availability of adequate resources to complete the development and to use or sell the asset,
- The ability to measure reliably the expenditure attributable to the intangible asset during the development.

j. Government and other grants

- i) Grants and subsidies from the government/others are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.
- ii) Grants related to Depreciable assets are treated as Deferred Income which is recognized in the statement of profit and loss on a rational basis over the useful life of the Assets.
- iii) Government grants of the nature of promoters' contribution are credited to capital subsidy and treated as a part of shareholders' funds.

k. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-



term investments with an original maturity of three months or less.

m. Retirement and other employee benefits

Long term employee benefits

Defined contribution plans

The Company has defined contribution plans for post employment benefits in the form of Superannuation Fund (for selected employees) which is recognized by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further the Company also has a defined contribution plan in the form of a Provident Fund scheme for its all employees, which are administered by the Provident Fund Commissioner.

All the above mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss as incurred.

Defined benefit plans

The Company has defined benefit plan for post retirement benefit in the form of Gratuity which is administered through trustees and/or LIC (in some units) for all its employees which is recognized by the Income-tax authorities. Liability for Defined Benefit Plans is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

Other long term employee benefit

The Company has for all employees other long-term benefits in the form of Leave Encashment as per the policy of the Company. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by as actuary. The Company presents the entire compensated absences as short term provisions, since employee's have an unconditional right to avail the leave at any time during the year.

Actuarial gains/(losses)

Actuarial gains/losses (for defined benefit and other long term benefit) comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss as income or expense.

Voluntary retirement scheme

Voluntary retirement scheme expenses are fully charged to statement of profit & loss in the year in which they accrue.

n. Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion at the Balance Sheet date

Foreign currency monetary items are restated using the closing exchange rate. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise except those arising from investments in non-integral operations.

o. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

p. Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.



At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

q. Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r. Segment reporting policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

s. Measurement of EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs, tax expense and exceptional items.

t. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



3. Share capital

(Rs. in lacs)

	31 March 2015	31 March 2014
Authorized shares		
19,800,000 (Previous year: 19,800,000) equity shares of Rs. 10/- each	1,980	1,980
20,000 (Previous year: 20,000) 9.8% redeemable cumulative preference shares of Rs. 100/- each	20	20
	2,000	2,000
Issued shares		
12,277,218 (Previous year: 12,277,218) equity shares of Rs. 10/- each	1,228	1,228
Subscribed and fully paid-up shares		
12,262,185 (Previous year: 12,262,185) equity shares of Rs. 10/- each	1,226	1,226
	1,226	1,226

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	31 March 2015		31 March 2014	
	Numbers	Rs. in lacs	Numbers	Rs. in lacs
At the beginning and at the end of the year	1,22,62,185	1,226	1,22,62,185	1,226

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	31 March 2015	31 March 2014
	In numbers	In numbers
Equity shares allotted as fully paid-up pursuant to a scheme of amalgamation for consideration other than cash in 2011-12	69,293	69,293
	69,293	69,293

d. Details of shareholders holding more than 5% shares in the company

	31 March 2015		31 March 2014	
Name of the shareholders	Numbers	% holding	Numbers	% holding
<i>Equity shares of Rs. 10 each fully paid-up</i>				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

4. Reserves and surplus

	31 March 2015	31 March 2014
Capital reserve	309	309
Capital redemption reserve	28	28
Capital reduction reserve	21	21
Securities premium reserve	5,707	5,707
Capital subsidy from state government	35	35
Amalgamation reserve	19	19
Government grant		
Balance as per last financial statements	21	23
Less: Grant recognized in the statement of profit and loss	3	2
	18	21



(Rs. in lacs)

	31 March 2015	31 March 2014
Development aid grant UNIDO		
Balance as per last financial statements	24	26
Less: Grant recognized in the statement of profit and loss	2	2
	22	24
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(5,508)	(5,626)
Less: Adjustment to written down value of assets fully depreciated pursuant to Schedule II of Companies Act, 2013 (Refer note 9 (g))	(316)	-
Add: Profit for the year	356	118
Net deficit in the statement of profit and loss	(5,468)	(5,508)
Total reserves and surplus	691	656

5. Long-term borrowings

	Non current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Term loans				
From banks				
Term loan (secured) (refer note a to d below and note 46)	11,476	16,398	5,766	2,627
Housing finance scheme (secured) (refer note f below)	-	-	1	25
From others				
Housing finance scheme (secured) (refer note g below)	14	17	3	5
Other loans and advances				
Working Capital Demand Loans from Banks (secured) (refer note a and e below and note 46)	-	-	1,492	2,890
Deposits (unsecured) (refer note h below)	-	-	-	2
Deposits from shareholders	-	-	-	25
Deposits from public	-	-	-	-
	11,490	16,415	7,262	5,574
The above amount includes				
Secured borrowings	11,490	16,415	7,262	5,547
Unsecured borrowings	-	-	-	27
Amount disclosed under the head "Other current liabilities" (note 8b)	-	-	(7,262)	(5,574)
	11,490	16,415	-	-

- a. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the term loan amounting to Rs. 17,242 lacs (Previous year Rs. 18,919 lacs) and working capital demand loan amounting to Rs. 1,492 lacs (Previous year Rs. 2,890 lacs) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.

Further, Working Capital Term Loan amounting to Rs. Nil (Previous year Rs. 106 lacs) from Indian Overseas Bank was secured by exclusive charge by hypothecation of plant and equipments, inventories, and book debts and pledge of factory building and office premises at Vadodara.

- b. Term Loans amounting to Rs. 7,565 lacs (Previous year: Rs. 8,474 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 194 lacs (Previous year: Rs. 185 lacs) is overdue for a period of 1 to 821 days (Previous year 1 to 456 days) as on the reporting date.
- c. Working Capital Term Loans amounting to Rs. 5,254 lacs (Previous year: Rs. 5,729 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 370 lacs (Previous year: Rs. 227 lacs) is overdue for a period of 1 to 821 days (Previous year 1 to 456 days) as on the reporting date.
- d. Funded Interest Term Loan amounting to Rs. 4,423 lacs (Previous year: Rs. 4,822 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 169 lacs (Previous year: Rs. 71 lacs) is overdue for a period of 1 to 548 days (Previous year 1 to 183 days) as on the reporting date.



- e. Working Capital Demand Loans amounting to Rs. 1,492 lacs (Previous year: Rs. 2,890 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 1,492 lacs (Previous year: Rs. 2,890 lacs) is overdue for 913 days (Previous year 548 days) as on the reporting date. (Refer note 46b for further details)
- f. Housing Loan form ICICI Bank Ltd amounting to Rs. 1 lac (Previous year: Rs. 25 lacs) is secured by a first charge by way of mortgage of residential flat situated at Mumbai and is carrying interest rate ranging from 12% - 16% p.a. (Previous year 12%-16% p.a.) and is repayable in 143 EMIs.
- g. Loan from Housing Development Finance Corporation Limited for Rs. 17 lacs (Previous year: Rs. 22 lacs) is secured by equitable mortgage by way of the deposit of the title deeds of the properties of respective employees who have availed the loan under said Schemes and is carrying interest rate of 12% - 16% p.a. (Previous year 12%-16% p.a.) and is repayable in 144 EMIs.
- h. Deposits from public and shareholders were unsecured and carried interest rate ranging from 11% - 15% p.a. (Previous year 11%-15% p.a.) which have been repaid during the current year.

6. Provisions

(Rs. In lacs)

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits				
Provision for gratuity (refer note 29)	985	794	103	139
Provision for leave encashment	-	-	426	382
(A)	985	794	529	521
Other provisions				
Provision for taxation (net)	-	-	234	234
Provision for wealth tax	-	-	4	4
(B)	-	-	238	238
(A+B)	985	794	767	759

7. Short-term borrowings

(Rs. In lacs)

	31 March 2015	31 March 2014
Cash credit from banks (secured) (refer note a and b below and note 46)	7,300	7,543
Working capital demand loan from banks (secured) (refer note a and c below and note 46)	1,385	2,000
Inter-corporate deposits repayable on demand (unsecured)	787	787
	9,472	10,330
The above amount includes		
Secured borrowings	8,685	9,543
Unsecured borrowings	787	787
	9,472	10,330

- a. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the cash credit amounting to Rs. 7,300 lacs (Previous year: Rs. 7,378 lacs) and working capital demand loan amounting to Rs. 1,385 lacs (Previous year: Rs. 2,000 lacs) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.
Further, Cash Credit amounting to Rs. Nil (Previous year: Rs 165 lacs) from Indian Overseas Bank was secured by exclusive charge by hypothecation of plant and machineries, stock and book debts and pledge of factory building and office premises at Vadodara.
- b. Cash Credit amounting to Rs. 7,300 lacs (Previous year: Rs. 7,543 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.).
- c. Working Capital Demand Loans amounting to Rs. 1,385 lacs (Previous year: Rs. 2,000 lacs) is carrying interest rate of 10.25% p.a. (Previous year 10.25% p.a.).
- d. Inter-corporate deposits amounting to Rs. 787 lacs (Previous year: Rs. 787 lacs) is carrying interest rate of 12.75% p.a. (Previous year 12.75% p.a.).



8. Trade payables and other current liabilities

(Rs. in lacs)

	31 March 2015	31 March 2014
8a. Trade payables (refer note 38 for details of dues to micro and small enterprises)	6,020	7,055
	6,020	7,055
8b. Other current liabilities		
Current maturities of long term borrowings (refer note 5)	7,262	5,574
Payables for fixed assets	237	336
Interest accrued but not due on borrowings	-	37
Interest accrued and due on borrowings	1,426	640
Due to subsidiaries	1,127	1,397
Employee related liabilities	360	607
Interest bearing security deposits from customers	62	210
Security Deposit from Others	235	6
Advance from customers	448	736
Investor education and protection fund will be credited by the following amounts (as and when due) (Refer note below)		
Unclaimed dividend	8	12
Unclaimed public deposits	-	1
Statutory liabilities	222	223
	11,387	9,779
	17,407	16,834

Note : There is no amount due as at the end of the year which needs to be transferred to Investor Education and Protection Fund.

9. Tangible assets

(Rs. In lacs)

	Land (Refer note (b) and (c))	Buildings (Refer note (a), (b), (d) and (f))	Plant and equipments (Refer note (e))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
Cost or valuation							
As at 1 April 2013	6,329	9,428	18,151	541	821	597	35,867
Additions	-	56	1,269	13	27	59	1,424
Disposals	-	2	133	9	102	27	273
Assets held for Sale (Refer note 45)	51	657	1,088	46	76	40	1,958
As at 31 March 2014	6,278	8,825	18,199	499	670	589	35,060
Additions	-	17	534	1	36	93	681
Disposals	-	-	52	-	2	48	102
As at 31 March 2015	6,278	8,842	18,681	500	704	634	35,639
Depreciation							
As at 1 April 2013	49	2,339	9,180	288	701	446	13,003
Charge for the year	12	380	712	35	34	48	1,221
Disposals	-	2	101	9	101	23	236
Assets held for Sale (Refer note 45)	4	207	459	23	63	38	794
As at 31 March 2014	57	2,510	9,332	291	571	433	13,194
Charge for the year	12	334	1,050	35	15	29	1,475
Charged to Reserve & Surplus (Refer note g below)	-	39	209	27	37	4	316
Disposals	-	-	44	-	2	45	91
As at 31 March 2015	69	2,883	10,547	353	621	421	14,894
Net Block							
As at 31 March 2014	6,221	6,315	8,867	208	99	156	21,866
As at 31 March 2015	6,209	5,959	8,134	147	83	213	20,745

(a) Building include investment representing ownership of office premises and residential flats in co-operative societies.


(b) Revaluations

In 2010-11, the company has revalued all its land and buildings as on 1 April 2009 at the fair values as at 1 April 2009 determined by an independent external valuer. The valuer determined the fair value by reference to market-based evidence. The valuations performed by the valuer were based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.

The historical cost of freehold land, leasehold land and building fair valued by the company was Rs. 130 lacs, Rs. 19 lacs and Rs. 3,542 lacs respectively and their fair value were Rs. 5,395 lacs, Rs. 614 lacs and Rs. 8,355 lacs respectively. The revaluation resulted in an increase in the value of freehold land, leasehold land and building by Rs. 5,265 lacs, Rs. 595 lacs and Rs. 4,813 lacs respectively.

(c) Land includes land held on leasehold basis:

(Rs. in lacs)

	31 March 2015	31 March 2014
Gross block	883	934
Depreciation charge for the year	12	12
Accumulated depreciation	69	57
Net book value	814	877

(d) Buildings includes building given on operating lease

(Rs. in lacs)

	31 March 2015	31 March 2014
Gross block	1,032	1,032
Depreciation charge for the year	46	16
Accumulated depreciation	162	116
Net book value	870	916

The Lease term is for a period of 20 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

- e. Plant and machinery includes Rs. 82 lacs (Previous year: Rs. 82 lacs) worth of equipments acquired under UNIDO grant scheme.
- f. Gross block of the building includes Rs. 3,030 lacs (Previous year: Rs. 3,030 lacs) [revalued] pertaining to the purchase of office premises for which the Company holds right of occupancy and possession. The conveyance of the land in favour of the society on which this building is situated is pending.
- g. The Company has revised the depreciation rates on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company. Based on current estimates, the carrying amount of Rs 316 lacs in respect of assets whose useful life has already exhausted as on April 1, 2014 has been adjusted to Retained Earnings net of deferred tax thereon.

10. Intangible assets

(Rs. in lacs)

	Computer software/ license	Product registrations (Refer note (a) and (b))	Technical Know how (Refer note (c))	Total
Gross Block				
As at 1 April 2013	132	2,271	-	2,403
Additions	-	-	168	168
Disposals	-	-	-	-
As at 31 March 2014	132	2,271	168	2,571
Additions	1	15	95	111
Disposals	-	-	-	-
As at 31 March 2015	133	2,286	263	2,682



Amortization

As at 1 April 2013

Charge for the period
Disposals

86	734	-	820
17	227	19	263
-	-	-	-

As at 31 March 2014

Charge for the year
Disposals

103	961	19	1,083
17	228	38	283
-	-	-	-

As at 31 March 2015

Net Block

As at 31 March 2014

As at 31 March 2015

120	1,189	57	1,366
29	1,310	149	1,488
13	1,097	206	1,316

- Product registration includes testing charges, task force studies and other related expenses.
- Remaining period of amortization of product registration expenses ranges from 37 to 89 months.
- Technical Know how is amortised on a straight line basis over a period of 5 years. Remaining period of amortization of technical know how ranges from 41 to 57 months.

11. Non-current investments

(Rs. In lacs)

	31 March 2015	31 March 2014
Trade investments (valued at cost unless otherwise stated)		
Unquoted equity instruments		
<u>Investment in subsidiaries</u>		
10,823 (Previous period: 10,823) equity shares of Euro 615 each fully paid-up in SD Agchem (Europe) N.V.	3,825	3,825
Less: Provision for diminution in value of investments	(3,501)	(3,501)
	324	324
2,000 (Previous period: 2,000) equity shares of GBP 1 each fully paid-up in STS Chemicals (UK) Limited	2	2
<u>Investment in joint venture</u>		
22,470 (Previous period: 22,470) equity shares of Rs. 10/- each fully paid-up in Stellar Marine Paints Limited	2	2
<u>Investment in others</u>		
84,375 (Previous year: 84,375) equity shares of Rs. 10/- each fully paid-up in Nimbua Green Field (Punjab) Limited	8	8
1,00,000 (Previous year: Nil) equity shares of Rs. 10/- each fully paid-up in Mohali Green Field Limited	10	-
(A)	346	336
Non trade investments (valued at cost unless otherwise stated)		
Quoted equity instruments		
1,700 (Previous period: 1,700) equity shares of Rs. 10/- each fully paid-up in Dena Bank Limited	1	1
400 (Previous period: 400) equity shares of Rs. 10/- each fully paid-up in Syndicate Bank Limited	0.04	0.04
	1	1
Unquoted equity instruments		
12,500 (Previous period: 12,500) equity shares of Rs. 10/- each fully paid-up in Alpha Tools Private Limited	1	1
30 (Previous period: 30) equity shares of Rs. 50/- each fully paid-up in Alkapuri Arcade Co-op Society	0.02	0.02
Less: Provision for diminution in value of investments	(0.02)	(0.02)
	1.00	1.00



(Rs. in lacs)

	31 March 2015	31 March 2014
2,535 (Previous period: 2,535) equity shares of Rs. 10/- each fully paid-up in Pragati Sahkari Bank Limited	0.25	0.25
Less: Provision for diminution in value of investments	(0.25)	(0.25)
	-	-
1,050 (Previous period: 1,050) equity shares of Rs. 10/- each fully paid-up in Baroda Dist Industrial Co-op Bank Limited	0.11	0.11
Less: Provision for diminution in value of investments	(0.11)	(0.11)
	-	-
Unquoted other non-current investments		
3,875 (Previous period: 3,875) 6.75% Tax Free US-64 Bonds of Rs. 100/- each	4	4
Less: Provision for diminution in value of investments	(4)	(4)
	-	-
(B)	2	2
(A+B)	348	338
Aggregate amount of quoted investments (Market value Rs. 1.26 lacs (Previous period: Rs. 1.41 lacs))	1	1
Aggregate amount of unquoted investments	347	337
Aggregate provision for diminution in value of investments	3,505	3,505

12. Loans and advances

(Rs. in lacs)

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Capital advances (unsecured, considered good)	44	43	-	-
Security deposit (unsecured, considered good)	199	183	40	31
(A)	243	226	40	31
Loans and advances to related parties				
Unsecured considered good	-	-	930	1,148
Unsecured considered doubtful	320	346	1,533	1,873
	320	346	2,463	3,021
Provision for doubtful advances	320	346	1,533	1,873
(B)	-	-	930	1,148
Advances recoverable in cash or kind				
Unsecured considered good	2,033	1,015	818	879
Unsecured considered doubtful	-	-	24	24
	2,033	1,015	842	903
Provision for doubtful advances	-	-	24	24
(C)	2,033	1,015	818	879
Other loans and advances (unsecured, considered good unless otherwise stated)				
Advance tax (net)	750	663	-	-
Balance with excise and customs	-	-	369	829
VAT recoverable	-	-	351	281
(D)	750	663	720	1,110
(A+B+C+D)	3,026	1,904	2,508	3,168


Movement in provision for doubtful advances / deposits

At the beginning of the year	2,243	3,063
Add: Provision made during the year	16	374
	2,259	3,437
Less: Advances written off against which provision was made/ Reversal of provision	382	1,194
At the end of the year	1,877	2,243

Long-term (Rs. in lacs)
31 March 2015 31 March 2014

Loans and advances to related parties include

Dues from Sintesis Quimica SAIC (maximum amount due Rs. 355 lacs (Previous year : Rs. 348 lacs))	320	346
	320	346

Short-term

31 March 2015 31 March 2014
Rs. in lacs Rs. in lacs

Advances recoverable in cash or kind include

Dues from officers of the company (maximum amount due Rs. Nil (Previous year: Rs. 3 lacs))	-	2
--	---	---

Loans and advances to related parties include

Dues from SD Agchem (Europe) N.V. (maximum amount due Rs. 2,980 lacs (Previous year: Rs. 3,068 lacs))	2,425	2,980
Dues from STS Chemicals (UK) Limited (maximum amount due Rs. 41 lacs (Previous year: Rs. 41 lacs))	38	41
Dues from L & L Products Shroff Private Limited (maximum amount due Rs. Nil (Previous year: Rs. 17 lacs))	-	-
	2,463	3,021

13. Trade Receivables

(Rs. in lacs)

Non-current **Current**

31 March 2015 31 March 2014 **31 March 2015** 31 March 2014

**Outstanding for a period exceeding six months
from the date they are due for payment**

Secured, considered good	-	-	-	33
Unsecured, considered good	-	-	1,790	2,337
Doubtful	1,184	1,088	2,600	2,575
	1,184	1,088	4,390	4,945

Other receivables

Secured, considered good	-	-	25	21
Unsecured, considered good	-	-	4,051	4,430
Doubtful	-	-	-	89

	-	-	4,076	4,540
Less: Provision for doubtful trade receivables	1,184	1,088	2,600	2,664
	-	-	5,866	6,821

Trade receivables includes dues from related parties

Dues from SD Agchem (Europe) N.V.	-	-	3,368	3,452
Dues from Sintesis Quimica S.A.I.C	1,184	1,088	-	58
	1,184	1,088	3,368	3,510



	Current	
	31 March 2015	31 March 2014
Movement in provision for doubtful debts		
At the beginning of the year	3,752	4,474
Add: Provision made during the year	227	946
	3,979	5,420
Less: Bad debts written off against which provision was made/ Reversal of provision	196	1,668
At the end of the year	3,783	3,752
14. Other assets		(Rs. in lacs)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Non-current bank balances (refer note 17)	458	559	-	-
Interest receivable	-	-	50	22
Export benefit receivable	-	-	556	444
Insurance claim receivable	-	-	20	2
Assets held for Sale (refer note 45)	-	-	-	1,170
Job work charges receivable	-	-	101	147
	458	559	727	1,785
15. Current Investments				(Rs. in lacs)

	31 March 2015	31 March 2014
Unquoted current investments		
30,000 (Previous year: Nil) units of Rs. 10/- each in Baroda Pioneer Hybrid Fund Series 1-Plan A Growth	3	-
	3	-

16. Inventories (valued at lower of cost and net realizable value)		(Rs. in lacs)
	31 March 2015	31 March 2014
Raw materials (includes in transit Rs. Nil (Previous year : Rs. 305 lacs))	2,045	2,270
Work-in-progress	564	818
Finished goods (including trial run) (refer note 43)	2,678	2,894
Traded goods	-	30
Packing materials	64	187
Stores and spares (including fuel)	368	385
	5,719	6,584
17. Cash and bank balances		(Rs. in lacs)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash and cash equivalents				
Balance with banks				
on current accounts	-	-	543	2,259
on fixed deposits with original maturity of less than three months	-	-	73	50
on unpaid dividend account	-	-	8	12
Cash on hand	-	-	4	5
	-	-	628	2,326



	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Other bank balances				
Deposits with original maturity for more than 12 months	1	1	2	29
Deposits with original maturity for more than 3 months but less than 12 months	-	-	17	27
Margin money deposit*	457	558	-	-
	458	559	19	56
Amount disclosed under non-current assets (note 14)	(458)	(559)	-	-
	-	-	647	2,382

* Includes Rs. Nil (Previous year: Rs. 47 lacs) held in liquidity margin under Companies (Acceptance of Deposit Rules) and Rs. 437 lacs (Previous year: Rs. 511 lacs) as margin for bank guarantees.

18. Revenue from Operations

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Sale of products		
Finished goods	38,981	37,813
Traded goods	177	1,643
Sale of services	1,620	2,822
Other operating revenue		
Scrap sales	117	122
Export benefit	810	652
Technicals Support & Development Fees	35	32
Lease Rentals	456	-
Revenue from operations (gross)	42,196	43,084
Less: Excise duty#	1,225	1,398
Revenue from operations (net)	40,971	41,685
# Excise duty on sales amounting to Rs. 1,225 lacs (Previous year: Rs. 1,398 lacs) has been reduced from sales in the statement of profit and loss and excise duty on increase / decrease in finished goods amounting to Rs. 61 lacs (Previous year: (Rs. 3 lacs)) has been considered in note 22 of financial statements.		
Details of products sold		
Finished goods sold		
Agro chemicals and intermediates	26,446	25,732
Bulk drugs and intermediates	4,351	4,142
Phosphorous and its compounds	2,749	2,830
Other chemicals	5,435	5,109
	38,981	37,813
Traded goods sold		
Formulated goods	-	133
Other chemicals	177	1,510
	177	1,643
Details of services rendered		
Job work income	1,548	2,435
Micronisation and handling charges	72	387
	1,620	2,822


19. Other income

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Interest income on		
Bank deposits	97	76
Others	241	79
Government grants	4	4
Exchange difference (net)	-	1,166
Dividend income from long-term investments	-	0.17
Provision for Doubtful Debt & Advance written back	529	-
Profit on sale of fixed assets (net)	37	4
Service charges	1	7
Sundry credit balances written back (net)	58	182
Rent income	64	95
Miscellaneous Income	26	15
	1,057	1,628

20. Cost of raw materials consumed

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Stock of raw material at the beginning of the year	2,270	1,429
Add: Purchases	23,415	24,391
	25,685	25,820
Less: Sale of raw materials	291	295
Less: Sale of raw materials transferred on sale of unit	100	-
Less: Stock of raw material at end of the year	2,045	2,270
	2,436	2,565
Cost of raw materials consumed	23,249	23,255
Details of raw materials consumed		
Agro chemicals and its intermediates	15,629	13,777
Speciality chemicals for Bulk drugs and intermediates	2,506	2,741
Oxalic acid and oxalates	2,955	2,568
Other chemicals	2,159	4,169
	23,249	23,255

21. Purchase of traded goods

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Formulated goods	196	54
Organic chemicals	-	69
Other chemicals	140	1,092
	336	1,215

22. (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods

(Rs. in lacs)

	31 March 2015	31 March 2014
Inventories at the end of the year		
Traded goods	-	30



	31 March 2015	31 March 2014
Work-in-progress	564	818
Finished goods	2,660	2,894
	3,224	3,742
Inventories at the beginning of the year		
Traded goods	30	102
Work-in-progress	818	763
Finished goods	2,894	1,496
	3,742	2,361
(Increase)/Decrease in excise duty on closing stock of finished goods	61	(3)
Less: Stock transferred on sale of unit	254	-
	325	(1,384)
Details of Inventories		
Traded goods		
Formulated goods	-	11
Other chemicals	-	19
	-	30
Work-in-progress		
Agro chemicals and intermediates	234	349
Bulk drugs and intermediates	294	373
Sulphur based compounds	-	23
Other chemicals	36	73
	564	818
Finished goods		
Bulk drugs and intermediates	1,166	951
Formulated goods	-	240
Agro chemicals and intermediates	1,221	1,646
Other chemicals	273	57
	2,660	2,894
23. Employee benefit expenses		(Rs. in lacs)
	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Salaries, wages and bonus	3,288	3,452
Contribution to provident and other funds	407	415
Gratuity and leave encashment expense (refer note 29)	314	414
Staff welfare expenses	375	429
	4,384	4,710
24. Operating and other expenses		(Rs. in lacs)
	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Consumption of stores and spares	120	194
Power and fuel	3,748	4,268
Repairs and maintenance - plant and machinery	485	713
Repairs and maintenance - buildings	40	73
Repairs and maintenance - others	25	57
Sub-contracting charges	277	481
Rent	9	26
Rates and taxes	101	166



	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Insurance charges	63	94
Advances written off	49	56
Postage, telegrams and telephones	44	70
Traveling and conveyance	438	526
Commission on sales (other than sole selling agents)	28	39
Discount on sales	49	36
Provision for doubtful advances (net) (refer note 12)	16	374
Packing expenses	500	683
Freight and handling expenses	582	442
Job work expenses	30	-
Director's sitting fees	7	3
Charity and donations (other than political parties)	1	1
Provision for doubtful debts (net) (refer note 13)	227	946
Provision for diminution in the value of investments	-	4
Research and development expenses	62	55
Marketing and promotional expenses	26	4
Exchange difference (net)	596	-
Other expenses*	710	1,019
	8,233	10,330
*Includes payment to auditor		
As auditor :		
Audit fee	20	20
Limited review	9	9
Certification charges	1	-
Reimbursement of expenses	2	2
	32	31
25. Depreciation and amortization expenses		(Rs. in lacs)
	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Depreciation on tangible assets	1,475	1,221
Amortization of intangible assets	283	263
	1,758	1,484
26. Finance costs		(Rs. in lacs)
	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Interest on loans and deposits	2,225	2,214
Interest on cash credit accounts	790	843
Interest on others	128	141
Bank charges	27	50
	3,170	3,248
27. Exceptional Items		(Rs. in lacs)
	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Voluntary Retirement compensation (refer note a below)	217	338
	217	338



- a. The Company had announced voluntary retirement scheme for employees of one of its unit which have been accepted by some of the employees of that unit. Accordingly during the year, the Company has accrued voluntary retirement compensation payable to these employees.

28. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations: (Rs. in lacs)

	31 March 2015	31 March 2014
Profit after tax for calculation of basic and diluted EPS	356	118
Weighted average number of equity shares in calculating basic and diluted EPS (in numbers)	12,262,185	12,262,185
Earnings per share (basic and diluted) (in Rs.)	2.91	0.96

29. Employee benefits

A. Defined contribution plan - provident fund and superannuation fund

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy. (Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Contribution to provident fund	254	247
Contribution to superannuation fund	137	156
	391	403

B. Defined benefit plans - gratuity

The Company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with an insurance company in the form of qualifying insurance policy.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost (Rs. in lacs)

	31 March 2015	31 March 2014
Current service cost	62	65
Interest cost on benefit obligation	101	81
Expected return on plan assets	(25)	(27)
Net actuarial (gain)/loss recognized in the year	94	172
Net benefit expenses	232	291
Actual return on plan assets	23	30
Balance sheet		
Benefit asset/liability		
Present value of defined benefit obligation	(1,247)	(1,229)
Fair value of plan assets	159	296
Plan asset/(liability)	(1,088)	(933)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	1,229	1,091
Transfer on sale of Agro Formulation unit	(27)	-
Current service cost	62	65
Interest cost	101	81



	31 March 2015	31 March 2014
Benefits paid	(210)	(183)
Actuarial (gains)/losses on obligation	92	175
Closing defined benefit obligation	1,247	1,229
Changes in the fair value of plan assets are as below:		
Opening fair value of plan assets	296	346
Transfer on sale of Agro Formulation unit	(17)	-
Expected return	25	27
Contributions by employer	57	102
Benefits paid	(200)	(182)
Actuarial gains /(losses)	(2)	3
Closing fair value of plan assets	159	296
Contribution for the next year	130	145
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investments with insurer	100%	100%
	100%	100%
The principal assumptions used in determining gratuity for the company's plans are shown below:		
Discount rate	8.00%	8.50%
Expected return on plan assets	9.00%	8.85%
Employee turnover	2.00%	2.00%
Expected rate of salary increase - Agro Chemical unit	5.00%	6.00%
Expected rate of salary increase - Other units	6.00%	6.00%
Mortality table	IALM (2006-08)	IALM (2006-08)
Proportion of employees opting for early retirement	1% to 3%	1% to 3%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods / years are as follows:

(Rs. in lacs)

	31 March 2015	31 March 2014	31 March 2013	30 September 2012	31 March 2011
Defined benefit obligation	1,247	1,229	1,091	1,045	809
Plan assets	159	296	346	372	302
Surplus/(deficit)	(1,088)	(933)	(745)	(673)	(507)
Experience adjustment on plan liabilities	(96)	(168)	(11)	4	1
Experience adjustment on plan assets	(2)	21	(17)	158	(58)

30. Interest in Joint Venture

The Company has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. The proportionate interest of the Company in the said entity as per the latest audited Balance Sheet as at 31 March 2015 is as under :

	31 March 2015 (In Rs. lacs)	31 March 2014 (In Rs. lacs)
Current assets	1	1
Non-current assets	-	0.49
Current liabilities	19	20



	31 March 2015 (In Rs. lacs)	31 March 2014 (In Rs. lacs)
Non-current liabilities	34	33
Equity	(52)	(52)
Revenue	1	1
Material cost	-	2
Employee benefit expenses	-	0.17
Operating and other expenses	1	1
Profits before tax	(0.11)	(2)
Income tax expenses	-	-
Profit after tax	(0.11)	(2)

31. Segment information

The Company is organized into two Business Segment namely:

- Chemicals - Comprising of Industrial, Agro Chemicals and their Intermediates, Speciality Chemicals etc.
- Bulk Drug - Comprising of Bulk Drug and Intermediates.

Year ended 31 March 2015

(Rs. in lacs)

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
Revenue from operations				
External	36,340	4,631	-	40,971
Inter-segment	1	8	(9)	-
Total revenue from operations	36,341	4,639	(9)	40,971
Results				
Segment results	4,381	(615)	-	3,766
Unallocated expenses (net of unallocable income)				23
Operating profit				3,743
Finance costs				3,170
Exceptional Items				217
Profit before tax				356
Tax expenses				-
Profit after tax				356
As at 31 March 2015				
Segment assets	32,604	8,333	-	40,937
Unallocated assets				1,101
Total assets	32,604	8,333	-	42,038
Segment liabilities	9,813	1,846	-	11,659
Unallocated liabilities				28,462
Total liabilities	9,813	1,846	-	40,121
Other segment information				
Capital expenditure:				
Tangible assets	618	570	-	1,188
Intangible assets	160	-	-	160
Depreciation	1,199	276	-	1,475
Amortization	283	-	-	283
Other non-cash expenses	92	200	-	292


Year ended 31 March 2014

(Rs. In lacs)

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
Revenue				
External sales	34,561	7,125	-	41,686
Inter-segment sales	216	10	(226)	-
Total revenue	34,777	7,135	(226)	41,686
Results				
Segment results	3,263	422	-	3,685
Unallocated expenses (net of unallocable income)				(19)
Operating profit				3,704
Finance costs				3,248
Exceptional Items				(338)
Profit before tax				118
Tax expenses				-
Profit after tax				118
As at 31 March 2014				
Segment assets	37,236	8,777	-	46,013
Unallocated assets				1,001
Total assets	37,236	8,777	-	47,014
Segment liabilities	10,912	1,663	-	12,575
Unallocated liabilities				32,557
Total liabilities	10,912	1,663	-	45,132
Other segment information				
Capital expenditure:				
Tangible assets	369	348	-	717
Intangible assets	171	-	-	171
Depreciation	961	260	-	1,221
Amortization	263	-	-	263
Other non-cash expenses	1,207	173	-	1,380

Geographical segments

The Company produces and sells its products in India and also Export the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purpose of AS-17 regarding Segment Reporting, secondary segment information on geographical segment is considered on the basis of revenue generated from India and Outside India.

(Rs. In lacs)

Year ended 31 March 2015	India	Outside India	Total
Revenue from operations			
External customers	11,838	29,133	40,971
Other segment information			
Segment assets	35,125	6,913	42,038
Capital expenditure			
Tangible fixed assets	1,188	-	1,188
Intangible assets	148	12	160
Year ended 31 March 2014	India	Outside India	Total
Revenue from operations			
External customers	22,395	19,291	41,686
Other segment information			
Segment assets	40,934	6,080	47,014
Capital expenditure			
Tangible fixed assets	714	3	717
Intangible assets	171	-	171



32. Related party transactions

Name of the related party and related party relationships

Related party where control exists

Subsidiaries

1. STS Chemicals (UK) Limited
2. S D Agchem (Europe) NV
3. Sintesis Quimica. S.A.I.C., Argentina

Other related parties with whom transactions have taken during the year

Joint venture company

1. Stellar Marine Paints Limited

Key management personnel

1. Mr. Shalil Shroff — Managing Director
2. Mr. Avtar Singh — Whole Time Director
3. Mr. S.S. Tiwari — Whole Time Director
4. Capt. S S Chopra (Retd.) — Director
5. Mr. Vipul Joshi — Chief Financial Officer (w.e.f 01.04.2014)
6. Mr. Punit K Abrol — Sr. Vice President (Finance) & Company Secretary (w.e.f. 01.04.2014)

Relatives of key management personnel

1. Mrs. Shaila Shroff
2. Mrs. Bhupinder Kaur
3. Mrs. Ravinder Kaur
4. Mr. Jaskaran Singh
5. Mrs. Mahinder S. Chopra

Enterprises over which key management personnel & their relatives have significant influence :

1. Hemsil Trading & Manufacturing Private Limited
2. M/s Salil Meta Chem
3. L & L Products Shroff Private Limited
4. Shalil Shroff (HUF)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

a. Sale of goods

(Rs. in lacs)

	Year ended	Sale of goods	Amount owed by related parties*	Amount owed to related parties*
Subsidiaries				
SD Agchem (Europe) N.V.	31 March 2015	914	3,368	1,127
	31 March 2014	1,058	3,452	1,385
Sintesis Quimica SAIC	31 March 2015	-	1,184	-
	31 March 2014	-	1,146	12

*The amounts are classified as trade receivable and trade payables, respectively.

b. Loans given, advances made

(Rs. in lacs)

	Year ended	Loans given/ Advances made during the year	Repayment received during the year	Amount owed by related parties#
Subsidiaries				
STS Chemicals (UK) Limited	31 March 2015	-	-	38
	31 March 2014	-	-	41
SD Agchem (Europe) N.V.	31 March 2015	-	-	2,425
	31 March 2014	39	-	2,980
Sintesis Quimica SAIC	31 March 2015	-	40	320
	31 March 2014	-	-	346


Joint Venture

Stellar Marine Paints Limited	31 March 2015	-	-	-
	31 March 2014	6	-	-

The amounts are classified as advance receivable from related parties.

c. Loans taken, deposits received, advances received and repayment thereof (Rs. In lacs)

	Year ended	Loans & Deposits taken/ Advance received during the year	Loans Repayment/ Interest payment during the year	Interest accrued during the year	Amount owed to related parties
Other related entities					
Hem-sil Trading and Manufacturing Pvt. Limited	31 March 2015	-	101	101	787
	31 March 2014	-	101	101	787
Salil Metachem	31 March 2015	-	52	5	-
	31 March 2014	-	15	5	47
Key managerial personnel					
Mr. Shalil Shroff	31 March 2015	2	-	-	2
	31 March 2014	-	-	-	-
Mr. Avtar Singh	31 March 2015	2	-	-	2
	31 March 2014	-	-	-	-
Mr. Punit K Abrol	31 March 2015	2	-	-	2
	31 March 2014	-	-	-	-
Relatives to key managerial personnel					
Others	31 March 2015	-	-	-	-
	31 March 2014	-	7	0.20	-

d. Other transactions with related parties (Rs. In lacs)

	Year ended	Rent/service charges income /(expense) during the year	Amount receivable/ (payable) on account of income /(expense)
Other related parties			
Shalil Shroff HUF	31 March 2015	(1)	-
	31 March 2014	(7)	-
L & L Products Shroff Private Limited	31 March 2015	10	-
	31 March 2014	48	-

	Year ended	Provision for doubtful debts made during the year	Provision for doubtful debts written back during the year	Provision for doubtful advances made/advances written off during the year	Provision for doubtful advances written back during the year
Subsidiaries					
SD Agchem (Europe) N.V.	31 March 2015	-	150	-	337
	31 March 2014	556	-	316	-
Sintesis Quimica SAIC	31 March 2015	6	12	13	38
	31 March 2014	130	-	32	-
STS Chemicals (UK) Limited	31 March 2015	-	-	-	3
	31 March 2014	-	-	7	-
Joint Venture					
Stellar Marine Paints Limited	31 March 2015	-	-	-	-
	31 March 2014	-	-	56	-


e. Remuneration and other benefits

(Rs. In lacs)

	31 March 2015	31 March 2014
Remuneration to Key Management Personnel		
Mr. Shalil Shroff	43	42
Mr. Avtar Singh	34	35
Mr. S. S. Tiwari	38	34
Mr. Vipul Joshi	45	-
Mr. Punit K Abrol	30	-
Benefits to Relatives		
Ms. Shaila Shroff	4	4
Ms. Ravinder Kaur	6	5
Mr. Jaskaran Singh	2	-
Ms. Bhupinder Kaur	1	1
Sitting Fees		
Capt. S. S. Chopra (Retd.)	1	1
Receivable from Directors		
Mr. Shalil Shroff	-	2

Note : The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

33. Contingent liabilities

(Rs. In lacs)

	31 March 2015	31 March 2014
Claims against the company not acknowledged as debts		
Excise duty matters in dispute or under appeal	572	599
Income Tax matters in dispute or under appeal	830	837
Demand raised by Sales Tax Authorities	11	11
Labour laws matters in dispute or under appeal	13	13
Demand raised by previous land owners	574	499
Corporate guarantee given on behalf of the subsidiary companies (revalued at closing exchange rates)	1,791	1,855

[Includes Corporate Guarantee given to State Bank of India of Rs. 1,791 lacs (Previous year: Rs. 1,855 lacs) which is also secured by way of charge on the current assets of the Company and charge on the fixed assets of Agro and Pharmaceutical division.]

The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

The Company shall indemnify the damages to the Managing Director/Directors in case their personal guarantees are invoked in respect of loans, backed by their personal guarantees.

34. Disclosure required under Sec 186(4) of the Companies Act, 2013

Included in loans and advances are certain advances to subsidiaries the particulars of which are disclosed below as required by section 186(4) of the Companies Act, 2013.

Investments

Details required u/s 186 have been disclosed in note 11 of the financial statements.

Guarantees given and utilised for business operations

Details required u/s 186 have been disclosed in note 33 of the financial statements.



35. Corporate Social Responsibility

- Gross amount required to be spent by the Company during the year - Rs. 0.66 lacs
- Amount spent during the year on:

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

36. Capital and other commitments

(Rs. In lacs)

	31 March 2015	31 March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	64	16
Other commitments (Deposit for Performance Guarantee)	625	2,125
	689	2,141

37. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

		31 March 2015		31 March 2014	
	Currency	Indian Rupees in lacs	Foreign Currency in lacs	Indian Rupees in lacs	Foreign currency in lacs
Trade receivable / advances to vendors	EUR	2,653	39.55	3,797	46.08
	USD	4,610	73.78	3,712	62.08
Trade payable / advances from customers	EUR	105	1.57	101	1.22
	USD	1,441	23.05	1,539	25.88
Advances to/receivable from subsidiaries	EUR	2,425	36.14	2,980	36.14
	USD	320	5.12	346	5.76
	GBP	38	0.41	41	0.41
Payable to subsidiaries	EUR	1,127	16.81	1,249	15.16
	USD	-	-	148	2.46
Investments (at historical cost)	EUR	3,825	66.56	3,825	66.56
	GBP	2	0.02	2	0.02

38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with company as at period end there are no dues outstanding to the suppliers who are registered as micro and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006".

39. Value of imports calculated on CIF basis

(Rs. In lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Raw materials	6,452	5,203
Components and spare parts	3	-
Traded goods	115	93
Capital goods	-	3
	6,570	5,299


40. Expenditure in foreign currency (on accrual basis)

(Rs. In lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Advertisement and sales promotion expenses	1	13
Travelling expenses	111	94
Trade commission and discount	3	3
Bank charges	1	1
Product registration expenses (including task force studies, testing & other expenses)	27	-
Others	4	6
	147	117

41. Imported and indigenous raw materials, components and spare parts consumed

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
	Value % of total consumption	Value % of total consumption
Raw materials		
Imported	6,550 28%	4,617 20%
Indigenous	16,699 72%	18,638 80%
	23,249 100%	23,255 100%
Components and spare parts		
Imported	3 3%	- 0%
Indigenous	117 97%	194 100%
	120 100%	194 100%

42. Earnings in foreign currency (on accrual basis)

(Rs. in lacs)

	31 March 2015	31 March 2014
Export of Goods (FOB basis)	28,807	16,872
Processing charges received	57	2,267
Technical support & development fees	28	32
Others	2	1
	28,894	19,172

43. Amounts capitalized in the respective project costs and excluded from:

The company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

(Rs. in lacs)

	31 March 2015 Rs. In lacs	31 March 2014 Rs. In lacs
Salaries, wages and bonus	124	-
Raw Material Consumption	41	-
Power and fuel	28	-
Finance costs	17	-
Total	210	-
Less: Trial run inventory (refer note 16)	18	-
Total amount capitalised	192	-


44. Break-up of Deferred Tax Assets and Deferred Tax Liabilities :

(Rs. In lacs)

	31 March 2015	31 March 2014
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,690	2,071
(A)	1,690	2,071
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Provision for Gratuity	370	303
Provision for Leave encashment	145	124
Others	16	83
Unabsorbed losses and depreciation*	1,159	1,561
(B)	1,690	2,071
Net deferred tax asset/(liability)	(A) - (B)	-

* Deferred tax assets (DTA) are recognised on carry forward unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Accordingly, deferred tax assets has been recognised only to the extent of deferred tax liabilities.

45. Sale of Agro Formulation Division

During the previous year, the Company had entered into business transfer agreement ('the Agreement') for sale of agro formulation division of the Company. As per the terms of the Agreement, the Company has settled its working capital items with the buyer and necessary adjustment has been made in the books of accounts as at closing date.

46. a. One Time Settlement (OTS) with State Bank of India

The Company's proposal for One Time Settlement (OTS) with State Bank of India (SBI) has been accepted by the bank. As per the terms of OTS, the Company has to pay Rs. 4,550 lacs and sale proceeds from the 150,000 shares of the Company, pledged exclusively with SBI by one of the promoters against total outstanding dues of Rs. 9,485 lacs (including interest). Out of the said amount, Rs. 1,138 lacs has been paid by the Company before March 31, 2015. The said OTS is subject to fulfilment of conditions. The necessary adjustment in the books of account will be carried out after compliance of all conditions as specified in said OTS.

b. Corporate Debt Restructuring

In the earlier periods, the Company had obtained an approval for Debt Restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group ('CDR EG'). As per the CDR Scheme, the Company was liable to pay working capital demand loan amounting to Rs. 5,000 lacs till September 2012, out of which the Company has repaid Rs. 3,508 lacs (Previous year: Rs. 2,110 lacs) as of March 31, 2015 and further there are other borrowings outstanding as of the balance sheet date for which the Company is in the process of selling non-core assets for repayment of the aforesaid dues.

47. Previous year's figures

The company has reclassified previous year's figures to confirm to current year's classification.

As per our report of even date

For and on behalf of the Board of Directors of
Punjab Chemicals & Crop Protection Limited

For **S R B C & CO LLP**
ICAI Firm registration number: 324982E
Chartered Accountants

MUKESH D PATEL
Vice Chairman

SHALIL SHROFF
Managing Director

AVTAR SINGH
Director (Operations &
Business Development)

per **RAVI BANSAL**
Partner
Membership No. 49365

PUNIT K. ABROL
Sr. Vice President (Finance) &
Company Secretary

VIPUL JOSHI
Chief Financial Officer

Place : Mumbai
Date : May 28, 2015

Place : Mumbai
Date : May 28, 2015



INDEPENDENT AUDITOR'S REPORT

To
The Members of Punjab Chemicals and Crop Protection Limited
Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entity in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

We report that the Company's 100% subsidiary viz. STS Chemicals (UK) Limited, has not been considered for the purpose of preparation of the consolidated financial statements. We are unable to comment on the impact of the non-inclusion of this subsidiary on the financial position and the operating results of the group.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate and jointly controlled entity as at March 31, 2015, of their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding Company and jointly controlled entity incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by section 143 (3) of the Act, to the extent applicable, we report that:

- (a) Except for the matter described in the Basis for Qualified Opinion paragraph, we / the other auditor whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015, and taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its jointly controlled entity incorporated in India, none of the directors of the Group's companies and its jointly controlled entity incorporated in India is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity - Refer Note 33 to the financial statements;
 - ii. Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts; and

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the jointly controlled entity incorporated in India.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs. 8,881 lacs as at March 31, 2015, and total revenues and net cash outflows flows of Rs. 16,433 lacs and Rs. 1,431 lacs respectively, for the year ended on that date, in respect of 2 subsidiaries and 1 jointly controlled entity and the Group's share of net profit of Rs. 36 lacs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 1 associate, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. These financial statements and other financial information have been audited by other auditors, who have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the shareholders/ Board of Directors of the respective companies, copies of which have been provided to us by the holding Company's management. The management of the Holding Company has converted these audited financial statements of the above mentioned subsidiaries, associate and jointly controlled entity to accounting principles generally accepted in India, for the purpose of preparation of the consolidated financial statements under accounting principles generally accepted in India. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of such other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management; examined by us on a test basis.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E

per **Ravi Bansal**

Partner

Membership Number: 49365

Place of signature: Mumbai

Date: May 28, 2015



Annexure to the Auditor's Report

Annexure referred to in paragraph 1 under the heading "Report on Other legal and Regulatory Requirement of our report of even date

Re: The Group, comprising of Punjab Chemicals & Crop Protection Limited ("the Holding Company") and its jointly controlled entity incorporated in India to whom the provisions of the order apply (together referred to as "the Covered entity" in this report)

- (I) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except that in the case of the Holding Company, furniture, fixture and equipments for certain location where item wise particulars in fixed asset register and tagging of fixed assets are in the process of updation. As reported by the other auditor who audited the financial statements of covered entity, the covered entity did not have fixed assets. Accordingly, provisions of the clause 3 (i) (a) and (b) of the Order are not applicable and hence not commented upon.
- (b) All fixed assets have not been physically verified by the management of the Holding Company during the year during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Holding Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company has conducted physical verification of inventory at reasonable intervals during the year. As reported by the other auditor who audited the financial statements of covered entity, the covered entity has no inventory. Accordingly, provisions of the clause 3 (ii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (b) The procedures of physical verification of inventory followed by the management of the Holding Company are reasonable and adequate in relation to the size of the Holding Company and the Covered entities of the Group and the nature of their businesses.
- (c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of covered entity, the Holding Company and the covered entity have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditor

who audited the financial statements of covered entity, there is an adequate internal control system commensurate with the size of the Holding Company and the covered entity and the nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entity. During the course of our audit and as reported by the other auditor who audited the financial statements of covered entity, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the covered entity in respect of these areas.

- (v) In respect of deposits accepted by the Holding Company, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management of the Holding Company that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. As reported by the other auditor who audited the financial statements of covered entity, the covered entity has not accepted any deposits from the public.
 - (vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same. As reported by the other auditor who audited the financial statements of covered entity, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products/services of the covered entity.
 - (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases in respect of the Holding Company. As reported by the other auditor who audited the financial statements of covered entity, the covered entity is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and other statutory dues applicable to it.
- According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of covered entity no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and



other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and covered entity.

- (b) According to the records of the Holding Company the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs. in Lacs) (net of advances paid)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act	Excise Duty/ Service Tax demands	572	2005-06 to 2012-13	Deputy Commissioner Central Excise, Commissioner and CESTAT
Income Tax Act, 1961	Tax / Interest	616	2007-08 and 2008-09	Income Tax Appellate Tribunal.
The Punjab Sales Tax Act	Penalty	11	2004-05	Entry Tax Officer, Shambhu Barrier

As reported by the other auditor who audited the financial statements of covered entity, the covered entity has no dues of income-tax, sales-tax, service tax, customs duty, excise duty and work contract tax which have not been deposited on account of any dispute.

- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. As reported by the other auditor who audited the financial statements of covered entity, the covered entity had no amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Holding Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Holding Company has not incurred cash loss in the current year and immediately preceding financial year. As reported by the other auditor who audited the financial statements of covered entity, the covered entity has accumulated losses of Rs. 12,092,495 at the end of the financial year and it has incurred cash loss in the current year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management of the Holding

Company, the Holding Company had delayed in certain repayments of dues (including interest) to banks. The delayed principal amount and the interest aggregate to Rs. 4,692 lacs and Rs. 942 lacs respectively (delays ranging from 1 day to 913 days). Of the above, Rs. 4,074 lacs (including interest of Rs. 463 lacs) is outstanding at the balance sheet date pertaining to period post Corporate Debt Restructuring Scheme (CDR) which is effective and as approved by Corporate Debt Restructuring Empowered Group (CDREG). Out of the outstanding balance as at March 31, 2015, Rs. 236 lacs have been repaid subsequently, Rs. 1,588 lacs pertains to amounts due to State Bank of India for which the State Bank of India has sanctioned the One Time Settlement to the Company (as referred in Note 46 of the attached consolidated financial statements). The Holding Company has not defaulted in repayment of dues to financial institutions and the Holding Company did not have any outstanding dues in respect of debenture holders during the year. As reported by the other auditor who audited the financial statements of covered entity, the covered entity has not defaulted in repayment of dues to a financial institution, banks or debenture holders.

- (x) According to information and explanations given to us, the Holding Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion are not prima-facie prejudicial to the interest of the Holding Company. As reported by the other auditor who audited the financial statements of covered entity, the covered entity has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) Based on information and explanations given to us by the management of the Holding Company, term loans were applied for the purpose for which the loans were obtained by the Holding Company. As reported by the other auditor who audited the financial statements of covered entity, the covered entity has not obtained any term loans.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and report of other auditor who audited the financial statements of the covered entity, which we have relied upon, we report that no fraud on or by the Holding Company and the covered entity have been noticed or reported during the year.

For **SRBC & COLLP**

ICAI Firm Registration Number : 324982E

Chartered Accountants

per **Ravi Bansal**

Partner

Membership No.: 49365

Place of signature : Mumbai

Date: May 28, 2015



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2015

(Rs. in lacs)

Particulars	Notes	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,226	1,226
Reserves and Surplus	4	(4,690)	(4,599)
		(3,464)	(3,373)
Non-current liabilities			
Long-term borrowings	5	14,802	20,541
Long term provisions	6	985	794
Trade payables	8a	3,095	3,152
Other liabilities	8b	-	352
		18,882	24,839
Current liabilities			
Short-term borrowings	7	9,858	10,333
Trade payables	8a	6,192	6,729
Other current liabilities	8b	15,693	9,958
Short-term provisions	6	1,055	1,071
		32,798	28,091
Total		48,216	49,557
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	21,862	22,668
Intangible assets	10	1,323	1,511
Capital work-in-progress		571	197
Intangible asset under development		115	67
Non-current investments	11	22	422
Long-term loans and advances	12	3,302	2,114
Other non-current assets	17	459	559
		27,654	27,538
Current assets			
Current investments	13	3	-
Inventories	14	7,524	7,677
Trade receivables	15	7,372	7,142
Cash and bank balances	16	1,385	2,854
Short-term loans and advances	12	3,551	2,561
Other current assets	17	727	1,785
		20,562	22,019
Total		48,216	49,557
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
Punjab Chemicals & Crop Protection Limited

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E
Chartered Accountants

per **RAVI BANSAL**

Partner

Membership No. 49365

Place : Mumbai

Date : May 28, 2015

MUKESH D PATEL

Vice Chairman

PUNIT K. ABROL

Sr. Vice President (Finance) &
Company Secretary

Place : Mumbai

Date : May 28, 2015

SHALIL SHROFF

Managing Director

VIPUL JOSHI

Chief Financial Officer

AVTAR SINGH

Director (Operations &
Business Development)



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2015

(Rs. in lacs)

Particulars	Notes	1 April, 2014 to 31 March, 2015	1 April, 2013 to 31 March, 2014
Income			
Revenue from operations (gross)	18	57,715	52,840
Less: Excise duty		1,225	1,398
Revenue from operations (net)		56,490	51,442
Other income	19	2,314	1,790
Total revenue		58,804	53,232
Expenses			
Cost of raw materials consumed	20	28,874	24,731
Purchases of traded goods	21	336	2,241
(Increase)/Decrease in inventories of finished goods,	22	(159)	(968)
Work-in-progress and traded goods			
Employee benefit expenses	23	11,345	10,000
Operating and other expenses	24	11,355	11,377
Total expenses		51,751	47,381
Earnings before interest, tax, depreciation and amortization (EBITDA)		7,053	5,851
Depreciation and amortization expenses	25	1,917	1,616
Finance costs	26	3,472	3,465
Profit before tax and exceptional items		1,664	770
Exceptional Items	27	217	338
Profit before tax but after exceptional items		1,447	432
Tax expenses	-	63	
Total tax expenses		63	-
Share of profits in associate for current year		36	110
Share of losses of associate for earlier years		-	(446)
Profit for the year		1,420	96
Earnings per equity share [nominal value of share Rs. 10 each (Previous period: Rs. 10 each)]			
Basic and diluted (in Rs.)	28	11.58	0.78
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm registration number: 324982E
Chartered Accountants

per **RAVI BANSAL**
Partner
Membership No. 49365

Place : Mumbai
Date : May 28, 2015

For and on behalf of the Board of Directors of
Punjab Chemicals & Crop Protection Limited

MUKESH D PATEL
Vice Chairman

PUNIT K. ABROL
Sr. Vice President (Finance) &
Company Secretary

Place : Mumbai
Date : May 28, 2015

SHALIL SHROFF
Managing Director

VIPUL JOSHI
Chief Financial Officer

AVTAR SINGH
Director (Operations &
Business Development)



CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

(Rs. in lacs)

	1 April, 2014 to 31 March, 2015	1 April, 2013 to 31 March, 2014
Cash flow from Operating Activities		
Profit / (Loss) before tax	1,447	432
Adjustments for :		
Depreciation and Amortisation	1,917	1,616
Sundry credit balance written back (net)	-	(182)
Interest income	(338)	(155)
Income in respect of government grants	(4)	(4)
Finance costs	3,472	3,465
Profit on sale of fixed assets (net)	(37)	(10)
Profit on sale of long-term investments	(1,013)	-
Unrealised foreign exchange Loss/(Gain) (net)	-	(1,066)
Provision for diminution in value of Investments	-	4
Advances written off	68	53
Provision for doubtful advances (net)	16	26
Provision for doubtful debts (net)	227	260
Operating Profit before working capital changes	5,755	4,439
Movement in Working Capital		
Decrease/(Increase) in trade receivables	(457)	(797)
Decrease/(Increase) in inventories	153	(1,464)
Decrease/(Increase) in other current assets & non-current assets	16	(415)
Decrease/(Increase) in long-term and short-term loans and advances	(2,109)	552
Increase/(Decrease) in trade payables and other current liabilities	2,371	1,499
Increase/(Decrease) in long-term and short-term provisions	256	229
Cash generated from operations	5,985	4,043
Direct taxes paid	(242)	(235)
Net cash generated from operating activities (A)	5,743	3,808
Cash Flow from investment activities		
Purchase of fixed assets, including CWIP and capital advances	(1,573)	(719)
Proceeds from sale of fixed assets	1,236	47
Proceeds of sale of investments	1,090	-
Investment in Shares and Mutual Funds	(13)	-
Investment in Fixed Deposits (with maturity more than three months)	(38)	(5)
Maturity of Fixed deposits (with maturity more than three months)	-	303
Interest received	310	156
Net cash generated /(used) from / in investing activities (B)	1,012	(218)
Cash flow from financial activities		
Proceeds from borrowings	-	3,034
Repayments of borrowings	(4,446)	(1,882)
Interest Paid	(2,723)	(3,108)
Net cash generated /(used) from / in financing activities (C)	(7,169)	(1,956)



		(Rs. in lacs)	
		1 April, 2014 to 31 March, 2015	1 April, 2013 to 31 March, 2014
Effect of exchange gain/(loss) on cash and cash equivalents	(D)	(1,017)	105
Net increase/(decrease) in cash and cash equivalents	(A+B+C+D)	(1,431)	1,739
Cash and cash equivalents at the beginning of the year		2,797	1,058
Cash and cash equivalents at the end of the year		1,366	2,797
Components of cash & cash equivalents			
Cash on hand		25	9
Cheques on hand		173	83
With banks			
a) on current account		1,087	2,643
b) on deposit account with original maturity of less than three months		73	50
c) on unpaid dividend account*		8	12
Total cash & cash equivalents (note 16)		1,366	2,797

*These balances are not available for use by the company as they represent corresponding unpaid dividend and fractional shares liabilities.

Summary of significant accounting policies

2.1

Notes:

- Comparative figures have been regrouped wherever necessary.
- The Cash Flow statement has been prepared under indirect method as set out in the Accounting Standard - 3 on "Cash Flow Statements" as notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E
Chartered Accountants

per **RAVI BANSAL**

Partner

Membership No. 49365

Place : Mumbai

Date : May 28, 2015

For and on behalf of the Board of Directors of
Punjab Chemicals & Crop Protection Limited

MUKESH D PATEL

Vice Chairman

PUNIT K. ABROL

Sr. Vice President (Finance) &
Company Secretary

Place : Mumbai

Date : May 28, 2015

SHALIL SHROFF

Managing Director

VIPUL JOSHI

Chief Financial Officer

AVTAR SINGH

Director (Operations &
Business Development)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Corporate Information

Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Company") is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates. The Company has presence in both the domestic and international markets.

All the subsidiaries and other companies of the Group are engaged in the business of agro chemicals and other chemicals and therefore the aforesaid statement of nature of business operations hold good for the group also.

2. Basis of preparations

- a) The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of land and building for which revaluation is carried out. The accounting policies adopted in preparation of consolidated financial statements are consistent with those of previous year, except for the change in accounting policy explained below.
- b) The accumulated losses of the Company as at the close of the financial year exceeded 50% of the Shareholder's Funds (excluding accumulated losses) as at March 31, 2015 and the current liabilities have exceeded current assets by Rs. 12,236 lacs. Based on the strategic long term supply contracts with its customers with minimum commitment of supply of products and the future business plans the management is confident that the Company will be able to generate profits in future years and meet its financial obligation as they arise accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis.

2.1. Summary of Significant Accounting Policies

2.1.1 Principles of Consolidation

- (a) The Consolidated Financial Statements comprise financial statements of Punjab Chemicals and Crop Protection Limited ('the Holding Company'), its subsidiaries (hereinafter referred to as "the Group"), associate and joint venture company referred in Note (c) below. Subsidiaries are those companies in which Punjab Chemicals and Crop Protection Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the composition of the Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.
- (b) The consolidated financial statements of the group have been prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27, "Financial Reporting of interest in Joint Ventures" notified by the Companies (Accounts) Rules, 2014, except as given in Note (d) below.
- (c) The list of subsidiaries, associate and joint venture companies considered for consolidation together with the proportion of share holding by Group is as follows :

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% of Group Holding as at 31 March 2015	% of Group Holding as at 31 March 2014
1.	STS Chemicals (UK) Limited (refer note (d) below)	Subsidiary	United Kingdom	100%	100%
2.	S D Agchem (Europe) N.V.	Subsidiary	Belgium	100%	100%
3.	Sintesis Quimica S.A.I.C.	Subsidiary	Argentina	100%	100%
4.	Source Dynamics LLC (refer note 35)	Associate	United States	0%	20%
5.	Stellar Marine Paints Limited (refer note (e) below)	Joint Venture	India	45%	45%

- (i) The ownership interest as given above has been calculated based on the effective interest of Punjab Chemicals & Crop Protection Limited in the various subsidiaries including the investments made by its subsidiaries.
- (ii) STS Chemicals (UK) Limited and S D Agchem (Europe) N.V are wholly owned subsidiaries of Punjab Chemicals & Crop Protection Limited as at March 31, 2015.



- (iii) Sintesis Quimica S.A.I.C: 98% is held by SD Agchem (Europe) N.V. and 2% by STS Chemicals (UK) Limited as at March 31, 2015.
- (d) 100% subsidiary, STS Chemicals (UK) Limited has not been considered for consolidation as the required information is not available and the management believes that it is insignificant to the consolidated financial statements. Resultantly, to eliminate the equity share capital of Sintesis Quimica S.A.I.C., the 2% holding of STS Chemicals (UK) Limited in equity share capital of Sintesis Quimica S.A.I.C amounting to Rs. 4.67 lacs is included in other current liabilities.
- (e) The Group has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. The proportionate interest as required by Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures" in the said entity as per the latest audited Balance Sheet as at 31 March 2015 has been considered for preparation of the aforesaid consolidated financial statements.
- (f) The Consolidated Financial Statements have been prepared on the following basis:
 - (i) The activities of the foreign subsidiaries are not an integral part of those of the Holding Company and hence, these have been considered to be Non-Integral foreign operations in terms of Accounting Standard 11 – "The Effects of Changes in Foreign Exchange Rates". Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at March 31, 2015; income and expenses have been translated at average rate of exchange and Exchange Difference arising on translation of financial statements as above is recognized in the Foreign Currency Translation Reserve.
 - (ii) All inter company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.
 - (iii) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
 - (iv) The financial statements of each of the subsidiary and joint venture other than the associate Company are drawn upto same reporting date i.e year ended March 31, 2015 and have been used for the purpose of consolidation. The effect of investment in associate company viz. Source Dynamics LLC, on financial position and operating result of the group have been considered in consolidated financial statements based on audited financial statements for the year ended December 31, 2014.
 - (v) SD Agchem (Europe) NV has sold its investments in Source Dynamics LLC in the current year. The resultant gain on sale of investments has been included in other income.

2.1.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

2.1.3 Fixed Assets

(a) Tangible Fixed Asset

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and amortization, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Items of fixed assets that are held for disposal are stated at the lower of their book value and net realisable value and are shown separately in the financial statement under Other Current Assets. Any expected loss is recognised immediately in the statement of Profit and Loss.

(b) Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.1.4 Depreciation on Fixed Assets

- i) Till the year ended 31 March 2014, Schedule XIV to the Companies Act 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to Companies Act 2013. The applicability of Schedule II has



resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(a) Useful lives / depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Had there not been any change in the useful life of assets, depreciation for the year would have been lower by Rs. 448 Lacs.

- ii) Depreciation on fixed assets is calculated on a straight line method for buildings, plant & equipments and electrical installations in accordance with section 123 of the Companies Act, 2013 except in respect of the following assets based on technical estimates as per life specified below .
- Factory building – 28 years
 - Office building – 58 years
 - Reactors, Pumps & Tanks and Piping in plants – 5 to 20 years
 - Electrical Motors & Works – 12 to 20 years
 - Generators and Ejectors – 10 to 15 years

In respect of all other Fixed Assets, on written down value basis in accordance with section 123 of the Companies Act, 2013 at the life specified in Schedule II to the Companies Act, 2013.

Description	Method	Depreciation rates
Sintesis Quimica S.A.I.C.		
Buildings	S.L.M.	2%
Furniture & Fixtures	S.L.M.	10% - 33%
Plant & Machinery	S.L.M.	10%
Vehicles	S.L.M.	20%
SD Agchem (Europe) N.V.		
Buildings	S.L.M.	4%, 10% to 20%
Plant & Machinery	S.L.M.	10%, 20%
Other Fixed Assets	S.L.M.	20%
STS Chemicals (UK) Limited		
Furniture & Fixtures	W.D.V.	25%

- iii) The premium on leasehold land is amortized on a straight line basis over the period of lease.
- iv) Cost of Computer Software/License is amortized on straight line basis over a period of three years.
- v) Product Registration (including testing charges, task force studies and other related expenses) for new market development considered as intangible assets and are amortized from and over the period of registration with a maximum period of 10 years on a straight line basis.
- vi) Technical Know how is amortised on a straight line basis over a period of 5 years.

2.1.5 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.1.6 Goodwill

Goodwill represents the excess of consideration paid towards acquisition of subsidiaries over the net assets acquired, arising on



consolidation of such subsidiaries into the company. At each balance sheet date Goodwill is tested for impairment.

2.1.7 Leases

Company is Lessee

Finance Lease

- i) Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance cost in statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.
- ii) If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset, the lease term and Schedule II as per the Companies Act, 2013.

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company is Lessor

Operating Lease

Assets subject to operating leases are included in fixed assets. Lease income is treated as revenue and the same is credited to statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss account. Initial direct costs such as legal costs, brokerage etc are recognized immediately in statement of profit and loss.

2.1.8 Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long-term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.1.9 Inventories

(a) Punjab Chemicals and Crop Protection Limited, Stellar Marine Paints Limited, S D Agchem (Europe) N.V.

- i) Raw Materials, Stores and Spares and Packing Materials are valued at lower of cost or net realizable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- ii) Traded Goods are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.
- iii) Finished goods and Work-in-Progress are valued at lower of cost or net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- iv) By Products are valued at net realizable value.
- v) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(b) Sintesis Quimica S.A.I.C.

Inventories are valued at replacement value. The values attained in this way do not exceed their respective net realisable value. The impact of difference between replacement value and cost of material is not material.

2.1.10 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes excise duty but does not include sales tax / value added tax. Excise duty deducted from revenue from operations (gross) is the amount that is included revenue from operations (gross) and not the entire amount of liability arising during the year.

**(b) Income from Services**

Income from services rendered is recognized based on the terms of the agreements as and when services are rendered and are net of service tax (wherever applicable).

(c) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(d) Dividends

Dividend income is recognized when the Companies right to receive dividend is established by the balance sheet date.

(e) Export Benefits:

Raw Material imported duty free under Advance License are accounted for inclusive of Custom Duty. Benefits are accrued under the Duty Entitlement Pass Book Scheme (DEPB) and Duty Free Import Authorization (DFIA) Scheme has been classified under the head "Export Benefits" in "Other operating revenue".

2.1.11 Research and Development Costs

Research costs (other than cost of fixed assets acquired) are charged as an expense in the period in which they are incurred and are reflected under the appropriate heads of account.

Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate the following :

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete the asset,
- Its ability to use or sell the asset,
- How the asset will generate future economic profits,
- The availability of adequate resources to complete the development and to use or sell the asset,
- The ability to measure reliably the expenditure attributable to the intangible asset during the development.'

2.1.12 Government and Other Grants

- i) Grants and subsidies from the government/other are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.
- ii) Grants related to Depreciable assets are treated as Deferred Income which is recognized in the statement of profit and loss account on a rational basis over the useful life of the Assets.
- iii) Government grants of the nature of promoters' contribution are credited to capital subsidy and treated as a part of shareholders' funds

2.1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.1.14 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.1.15 Retirement and Other Employee Benefits :**(a) Punjab Chemicals and Crop Protection Limited****i) Long Term Employee Benefits**Defined Contribution Plans

The Company has defined contribution plans for post employment benefits in the form of Superannuation Fund (for selected employees) which is recognized by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further the Company also has a defined contribution plan in the form of a Provident Fund scheme for its all employees, which are administered by the Provident Fund Commissioner.

All the above mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss account as incurred.



Defined Benefit Plans

The Company has defined benefit plan for post retirement benefit in the form of Gratuity which is administered through trustees and/or LIC (in some units) for all its employees which is recognized by the Income-tax authorities. Liability for Defined Benefit Plans is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

ii) Other Long Term Employee Benefit

The Company has for all employees other long-term benefits in the form of Leave Encashment as per the policy of the Company. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary. The Company presents the entire compensated absences as short term provisions, since employee's have an unconditional right to avail the leave at any time during the year.

Actuarial gains and losses

Actuarial gains and losses (for defined benefit and other long term benefit) comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss as income or expense.

Voluntary retirement scheme

Voluntary retirement scheme expenses are fully charged to statement of profit & loss in the year in which they accrue.

(b) All other subsidiaries

The companies contribute to a defined contribution plan which are charged to statement of profit and loss as incurred.

2.1.16 Foreign Currency transactions

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion at the balance sheet date

Foreign currency monetary items are reported using the closing rate prevailing as on date of balance sheet. Non-monetary items are recorded at the exchange rate prevailing on the date of transaction.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

iv) Translation of integral and non-integral foreign operations

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations." The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

2.1.17 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.1.18 Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

2.1.19 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.1.20 Segment Reporting Policies

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment Transfers :

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies :

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

2.1.21 Measurement of EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs, tax expense and exceptional items.

2.1.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



(Rs. in lacs)

	31 March 2015	30 March 2014
3. Share capital		
Authorized shares		
19,800,000 (Previous period: 19,800,000) equity shares of Rs. 10/- each	1,980	1,980
20,000 (Previous year: 20,000) 9.8% redeemable cumulative preference shares of Rs. 100/- each	20	20
	2,000	2,000
Issued shares		
12,277,218 (Previous year: 12,277,218) equity shares of Rs. 10/- each	1,228	1,228
Subscribed and fully paid-up shares		
12,262,185 (Previous period: 12,262,185) equity shares of Rs. 10/- each	1,226	1,226
	1,226	1,226

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year
Equity shares

	31 March 2015		31 March, 2014	
	Numbers	Rs. in lacs	Numbers	Rs. in lacs
At the beginning of the period	1,22,62,185	1,226	1,22,62,185	1,226

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2015 In numbers	31 March 2014 In numbers
Equity shares allotted as fully paid-up pursuant to a scheme of amalgamation for consideration other than cash in 2011-2012	69,293	69,293
	69,293	69,293

d. Details of shareholders holding more than 5% shares in the company

	31 March 2015		31 March 2014	
	Numbers	% holding	Numbers	% holding
Equity shares of Rs. 10 each fully paid-up				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

4. Reserves and surplus

(Rs. in lacs)

	31 March 2015	31 March 2014
Capital reserve	1,131	329
Capital redemption reserve	28	28
Capital reduction reserve	21	21
Securities premium reserve	5,707	5,707
Capital subsidy from state government	35	35



	31 March 2015	31 March 2014
Amalgamation reserve	19	19
Government grant		
Balance as per last financial statements	21	23
Less: Grant recognized in the statement of profit and loss	3	2
	18	21
Development aid grant UNIDO		
Balance as per last financial statements	24	26
Less : Grant recognized in the statement of profit and loss	2	2
	22	24
Foreign currency translation reserve		
Balance as per last Balance Sheet	(184)	(448)
Add: Exchange difference in respect of non-integral foreign operations	(1,992)	264
	(2,176)	(184)
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(10,599)	(10,695)
Less : Adjustment to written down value of assets fully depreciated pursuant to Schedule II of Companies Act, 2013 (Refer note 9 (g))	(316)	-
Add: Profit for the year	1,420	96
Net deficit in the Statement of Profit and Loss	(9,495)	(10,599)
Total reserves and surplus	(4,690)	(4,599)
5. Long-term borrowings		(Rs. In lacs)

	Non current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Term loans				
From banks				
Term loan (secured) (refer note a to h below and note 41)	13,537	19,187	6,319	2,717
Term loan (unsecured) (refer note 40)	1,217	1,320	-	-
Housing finance scheme (secured) (refer note j below)	-	-	1	25
From others				
Housing finance scheme (secured) (refer note k below)	14	17	3	5
Others (unsecured) (refer note l below)	34	17	-	-
Other loans and advances				
Working Capital Demand Loans from Banks (secured) (refer note a and i below and note 41b)	-	-	1,492	2,890
Deposits (unsecured) (refer note m below)				
Deposits from shareholders	-	-	-	2
Deposits from public	-	-	-	25
	14,802	20,541	7,815	5,664
The above amount includes				
Secured borrowings	13,551	19,204	7,815	5,637
Unsecured borrowings	1,251	1,337	-	27
Amount disclosed under the head "Other current liabilities" (note 8b)			(7,815)	(5,664)
	14,802	20,541	-	-

Notes :

- In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement



signed as per CDR scheme and the SBI Antwerp document, the term loan amounting to Rs. 17,242 lacs (Previous year Rs. 18,919 lacs) and working capital demand loan amounting to Rs. 1,492 lacs (Previous year Rs. 2,890 lacs) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.

Further, Working Capital Term Loan amounting to Rs. Nil (Previous year Rs. 106 lacs) from Indian Overseas Bank was secured by exclusive charge by hypothecation of plant and equipments, inventories, and book debts and pledge of factory building and office premises at Vadodara.

- b. Term Loans amounting to Rs. 7,565 lacs (Previous year: Rs. 8,474 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 194 lacs (Previous year: Rs. 185 lacs) is overdue for a period of 1 to 821 days (Previous year 1 to 456 days) as on the reporting date.
- c. Working Capital Term Loans amounting to Rs. 5,254 lacs (Previous year: Rs. 5,729 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 370 lacs (Previous year: Rs. 227 lacs) is overdue for a period of 1 to 821 days (Previous year 1 to 456 days) as on the reporting date.
- d. Funded Interest Term Loan amounting to Rs. 4,423 lacs (Previous year: Rs. 4,822 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 169 lacs (Previous year: 71 lacs) is overdue for a period of 1 to 548 days (Previous year 1 to 183 days) as on the reporting date.
- e. State Bank of India, Antwerp vide letter no. CRE/2013/136 dated June 14, 2013, have approved the restructuring of the existing borrowings in S D Agchem (Europe) NV by way of repayment of outstanding term loan, working capital loan and funded interest term loan of Rs. 2,569 lacs on March 31, 2013, in 24 quarterly installments commencing from June 30, 2014.
- f. The Holding company has given Corporate guarantees for loans taken by subsidiaries.
- g. Term Loan taken from Banco Nacion de la Argentina (Argentina National Bank) amounting to Rs. 151 lacs (Previous year: Rs. 106 lacs) is secured by mortgage of the company's real estate property located in Dr. Bernard Houssay 2502 in the city of Florencio Varela in the province of Buneous Aires. The loan carries interest rate of 15% per annum and repayable in 60 installments.
- h. Term Loan taken from Banco Santander Rio amounting to Rs. 240 lacs (Previous year: Rs. 204 lacs) is secured by mortgage of the company's real estate property located in Arroyo Secco Sud, jurisdiction of Fighiera in the province of Santa Fe, corresponding to lot number FOUR B. The loan carries interest rate of in the range of 19.95% and repayable in 60 equal installments.
- i. Working Capital Demand Loans amounting to Rs. 1,492 lacs (Previous year: Rs. 2,890 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 1,492 lacs (Previous year: Rs. 2,890 lacs) is overdue for 913 days (Previous year 548 days) as on the reporting date. (Refer note 41b for further details).
- j. Housing Loan form ICICI Bank Ltd amounting to Rs. 1 lac (Previous year: Rs. 25 lacs) is secured by a first charge by way of mortgage of residential flat situated at Mumbai and is carrying interest rate ranging from 12% - 16% p.a. (Previous year 12%-16% p.a.) and is repayable in 143 EMIs.
- k. Loan from Housing Development Finance Corporation Limited for Rs. 17 lacs (Previous year: Rs. 22 lacs) is secured by equitable mortgage by way of the deposit of the title deeds of the properties of respective employees who have availed the loan under said Schemes and is carrying interest rate of 12% - 16% p.a. (Previous year 12%-16% p.a.) and is repayable in 144 EMIs.
- l. Term Loan from others (unsecured) represents loan taken by Stellar Marine Paints Limited (Joint venture) from Viachem LLC which is interest free and loan from Hemsil Trading & Manufacturing Limited carrying an interest of 12% p.a (Previous year: Rs. 17 lacs). The said loans are repayable on demand.
- m. Deposits from public and shareholders were unsecured and carried interest rate ranging from 11% - 15% p.a. (Previous year 11%-15% p.a.) which have been repaid during the current year.



6. Provisions

(Rs. in lacs)

	Long Term		Short Term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits				
Provision for gratuity (refer note 29)	985	794	103	139
Provision for leave encashment	-	-	657	556
(A)	985	794	760	695
Other provisions				
Provision for taxation (net)	-	-	291	372
Provision for wealth tax	-	-	4	4
(B)	-	-	295	376
(A+B)	985	794	1,055	1,071

7. Short-term borrowings

(Rs. in lacs)

	31 March 2015	31 March 2014
Cash credit from banks (secured) (refer note a and b below and note 41)	7,304	7,546
Working capital demand loan from banks (secured) (refer note a and c below and note 41)	1,385	2,000
Inter-corporate deposits repayable on demand (unsecured) (refer note d)	787	787
Other loans (unsecured) (refer note e)	382	-
	9,858	10,333
The above amount includes		
Secured borrowings	8,689	9,546
Unsecured borrowings	1,169	787
	9,858	10,333

- a. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the cash credit amounting to Rs. 7,300 lacs (Previous year: Rs. 7,378 lacs) and working capital demand loan amounting to Rs. 1,385 lacs (Previous year: Rs. 2,000 lacs) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.

Further, Cash Credit amounting to Rs. Nil (Previous year: Rs. 165 lacs) from Indian Overseas Bank was secured by exclusive charge by hypothecation of plant and equipments, inventories and book debts and pledge of factory building and office premises at Vadodara.

- b. Cash Credit amounting to Rs. 7,300 lacs (Previous year: Rs. 7,543 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.).
- c. Working Capital Demand Loans amounting to Rs. 1,385 lacs (Previous year: Rs. 2,000 lacs) is carrying interest rate of 10.25% p.a. (Previous year 10.25% p.a.).
- d. Inter-corporate deposits amounting to Rs. 787 lacs (Previous year: Rs. 787 lacs) is carrying interest rate of 12.75% p.a. (Previous year 12.75% p.a.).
- e. Term Loan taken from Banco Santander Rio amounting to Rs. 382 lacs (Previous year: Nil) is secured by mortgage of the company's real estate property located in Arroyo Secco Sud, jurisdiction of Fighiera in the province of Santa Fe, corresponding to lot number FOUR B. The loan carries interest rate of in the range of 19.95% and repayable in 60 equal installments.

8. Trade payables and other liabilities

(Rs. In lacs)

	Non current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
8a. Trade payables (refer note 40)	3,095	3,152	6,192	6,729
	3,095	3,152	6,192	6,729
8b. Other current liabilities				
Current maturities of long term borrowings (refer note 5)	-	-	7,432	5,664
Payables for fixed assets	-	-	237	336



(Rs. In lacs)

	Non current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Interest accrued but not due on borrowings	-	-	-	37
Interest accrued and due on borrowings	-	-	1,427	641
Employee related liabilities	-	-	1,317	804
Interest bearing security deposits from customers	-	-	62	210
Security Deposit from Others	-	-	235	6
Advance from customers	-	-	622	816
Investor education and protection fund will be credited by the following amounts (as and when due) (Refer note below)				
Unclaimed dividend	-	-	8	12
Unclaimed public deposits	-	-	-	1
Statutory liabilities	-	352	4,353	1,431
	-	352	15,693	9,958
	3,095	3,504	21,885	16,687

Note : There is no amount due as at the end of year/period which needs to be transferred to Investor Education and Protection Fund.

9. Tangible assets

(Rs. In lacs)

	Land (Refer note (b) and (c))	Buildings (Refer note (a), (b), (d) and (f))	Plant and equipme- nts (Refer note (e))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
Cost or valuation							
As at 1 April 2013	6,442	10,175	19,121	541	1,843	666	38,788
Additions	-	56	1,290	13	31	59	1,449
Disposals	-	2	133	9	102	27	273
Assets held for Sale	51	657	1,137	46	27	40	1,958
Foreign exchange adjustment	(34)	(227)	(295)	-	(310)	(9)	(875)
As at 31 March 2014	6,357	9,345	18,846	499	1,435	649	37,131
Additions	-	17	615	1	278	102	1,013
Disposals	-	-	52	-	2	57	111
Foreign exchange adjustment	14	194	124	-	128	6	466
As at 31 March 2015	6,371	9,556	19,533	500	1,839	700	38,499
Depreciation							
As at 1 April 2013	50	2,536	9,784	289	1,533	480	14,672
Charge for the year	12	389	779	35	42	55	1,312
Disposals	-	2	101	9	101	23	236
Assets held for Sale	4	207	499	23	23	38	794
Foreign exchange adjustment	(1)	(57)	(184)	-	(253)	4	(491)
As at 31 March 2014	57	2,659	9,779	292	1,198	478	14,463
Charge for the year	12	346	1,111	35	87	44	1,635
Charged to Reserve & Surplus (Refer note g below)	-	39	209	27	37	4	316
Disposals	-	-	46	-	2	52	100
Foreign exchange adjustment	-	127	84	-	107	5	323
As at 31 March 2015	69	3,171	11,137	354	1,427	479	16,637
Net Block							
As at 31 March 2014	6,300	6,686	9,067	207	237	171	22,668
As at 31 March 2015	6,302	6,385	8,396	146	412	221	21,862



(a) Building include investment representing ownership of office premises and residential flats in co-operative societies.

(b) **Revaluations**

In 2010-11, the company has revalued all its land and buildings as on 1 April 2009 at the fair values as at 1 April 2009 determined by an independent external valuer. The valuer determined the fair value by reference to market-based evidence. The valuations performed by the valuer were based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.

The historical cost of freehold land, leasehold land and building fair valued by the company was Rs. 130 lacs, Rs. 19 lacs and Rs. 3,542 lacs respectively and their fair value were Rs. 5,395 lacs, Rs. 614 lacs and Rs. 8,355 lacs respectively. The revaluation resulted in an increase in the value of freehold land, leasehold land and building by Rs. 5,265 lacs, Rs. 595 lacs and Rs. 4,813 lacs respectively.

(c) Land includes land held on leasehold basis:

(Rs. in lacs)

	31 March 2015	31 March 2014
Gross block	883	934
Depreciation charge for the year	12	12
Accumulated depreciation	69	57
Net book value	814	877

(d) **Building includes building given on operating lease**

(Rs. in lacs)

	31 March 2015	31 March 2014
Gross block	1,032	1,032
Depreciation charge for the year	46	16
Accumulated depreciation	162	116
Net book value	870	916

The Lease term is for 20 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

e. Plant and equipments includes Rs. 82 lacs (Previous year: Rs. 82 lacs) worth of equipments acquired under UNIDO grant scheme.

f. Gross block of the building includes Rs. 3,030 lacs (Previous year: Rs. 3,030 lacs) [revalued] pertaining to the purchase of office premises for which the Company holds right of occupancy and possession. The conveyance of the land in favour of the society on which this building is situated is pending.

g. The Company has revised the depreciation rates on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company. Based on current estimates, the carrying amount of Rs 316 lacs in respect of asset whose useful life has already exhausted as on April 1, 2014 has been adjusted to Retained Earnings net of deferred tax thereon.

10. Intangible assets

(Rs. in lacs)

	Goodwill	Formation Expenses	Computer License/ Computer Software	Product registration (Refer Note (a) & (b))	Technical knowhow Fees (Refer Note (c))	Total
Gross Block						
As at 1 April 2013	2,416	9	343	2,271	-	5,039
Additions	-	-	-	-	168	168
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	2	(130)	-	-	(128)
As at 31 March 2014	2,416	11	213	2,271	168	5,079
Additions	-	-	1	15	95	111
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	(2)	13	-	-	11
As at 31 March 2015	2,416	9	227	2,286	263	5,201



Amortization

As at 1 April 2013	2,416	9	244	731	-	3,400
Charge for the period	-	-	33	227	19	279
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	2	(113)	-	-	(111)
As at 31 March 2014	2,416	11	164	958	19	3,568
Charge for the year	-	-	37	228	38	303
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	(2)	9	-	-	7
As at 31 March 2015	2,416	9	210	1,186	57	3,878
Net Block						
As at 31 March 2014	-	-	49	1,313	149	1,511
As at 31 March 2015	-	-	17	1,100	206	1,323

- Product registration includes testing, data access and other product registration related expenses.
- Remaining period of amortization of product registration expenses ranges from 37 to 89 months.
- Technical Know how is amortised on a straight line basis over a period of 5 years. Remaining period of amortization of technical know how ranges from 41 to 57 months.

11. Non-current investments

(Rs. In lacs)

	31 March 2015	31 March 2014
Trade investments (valued at cost unless otherwise stated)		
Unquoted equity instruments		
Investment in Subsidiary Companies (Refer note 2.1.1 (d))	2	2
Investment in Associate Companies	-	746
Less: Share of losses of associate of earlier years	-	(446)
Add: Share of profits of associate for current year	-	110
	2	412
Investment in others		
84,375 (Previous year: 84,375) equity shares of Rs. 10/- each fully paid-up in Nimbua Green Field (Punjab) Limited	8	8
1,00,000 (Previous year: Nil) equity shares of Rs. 10/- each fully paid-up in Mohali Green Field Limited	10	-
	20	420
Non trade investments (valued at cost unless otherwise stated)		
Quoted equity instruments		
1,700 (Previous year : 1,700) equity shares of Rs. 10/- each fully paid-up in Dena Bank Limited	1	1
400 (Previous year : 400) equity shares of Rs. 10/- each fully paid-up in Syndicate Bank Limited	0.04	0.04
	1	1
Unquoted equity instruments		
12,500 (Previous year : 12,500) equity shares of Rs. 10/- each fully paid-up in Alpha Tools Private Limited	1	1
30 (Previous year : 30) equity shares of Rs. 50/- each fully paid-up in Alkapuri Arcade Co-op Society	0.02	0.02
Less: Provision for diminution in value of investment	(0.02)	(0.02)
	-	-
2,535 (Previous year : 2,535) equity shares of Rs. 10/- each fully paid-up in Pragati Sahkari Bank Limited	0.25	0.25
Less: Provision for diminution in value of investment	(0.25)	(0.25)
	-	-



1,050 (Previous year : 1,050) equity shares of Rs. 10/- each
fully paid-up in Baroda Dist Industrial Co-op Bank Limited
Less: Provision for diminution in value of investment

0.11
(0.11)

0.11
(0.11)

Unquoted other non-current Investments

3,875 (Previous year: 3,875) 6.75% Tax Free US-64 Bonds of Rs. 100/- each
Less: Provision for diminution in value of investment

4
(4)

4
(4)

-

-

2

2

22

422

Aggregate amount of quoted investments
(Market value Rs. 1.26 lacs (Previous year: Rs. 1.41 lacs))

1

1

Aggregate amount of unquoted investments

21

421

Aggregate provision for diminution in value of Investments

4

4

12. Loans and advances

(Rs. in lacs)

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Capital advances (unsecured, considered good)	44	43	-	-
Security deposit (unsecured, considered good)	199	183	42	31
(A)	243	226	42	31
Loans and advances to related parties				
Unsecured considered good	-	-	34	33
Unsecured considered doubtful	-	-	38	42
	-	-	72	75
Provision for doubtful advances	-	-	38	42
(B)	-	-	34	33
Advances recoverable in cash or kind				
Unsecured considered good	2,033	1,015	2,246	1,321
Unsecured considered doubtful	-	-	24	24
	2,033	1,015	2,270	1,345
Provision for doubtful advances	-	-	24	24
(C)	2,033	1,015	2,246	1,321
Other loans and advances (unsecured, considered good unless otherwise stated)				
Advance tax (net)	1,026	873	-	-
Balance with excise and customs	-	-	369	829
VAT recoverable	-	-	860	347
(D)	1,026	873	1,229	1,176
(A+B+C+D)	3,302	2,114	3,551	2,561
Movement in provision for doubtful advances / deposits				
At the beginning of the year			66	1,213
Add: Provision made during the year			-	26
			66	1,239
Less: Advances written off against which provision was made/ Reversal of provision			4	1,173
At the end of the year			62	66



	Short-term	(Rs. in lacs)
31 March 2015	31 March 2014	
	-	2
	-	-
72	75	
72	75	

Advances recoverable in cash or kind include

Dues from officers of the company (maximum amount due Rs. Nil (Previous year: Rs. 3 lacs))

Loans and advances to related parties include

Dues from L & L Products Shroff Private Limited
(maximum amount due Rs. Nil (Previous year : Rs. 17 lacs))

Dues from STS Chemicals (UK) Limited
(maximum amount due Rs. 72 lacs (Previous year : Rs. 75 lacs))

13. Current Investments

(Rs. in lacs)

	31 March 2015	31 March 2014
Unquoted current investments		
30,000 (Previous year: Nil) units of Rs. 10/- each in Baroda Pioneer Hybrid Fund Series 1-Plan A Growth	3	-
	3	-

14. Inventories (valued at lower of cost and net realizable value)

(Rs. in lacs)

	31 March 2015	31 March 2014
Raw materials (includes in transit Nil (Previous year : Rs. 305 lacs))	2,515	2,592
Work-in-progress	564	818
Finished goods (including trial run) (refer note 37)	3,632	3,316
Traded goods	177	238
Packing materials	268	328
Stores and spares (including fuel)	368	385
	7,524	7,677

15. Trade receivables

(Rs. in lacs)

	Current	
	31 March 2015	31 March 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	33
Unsecured, considered good	107	271
Doubtful	2,171	1,728
	2,278	2,032
Other receivables		
Secured, considered good	25	21
Unsecured, considered good	7,240	6,817
Doubtful	-	89
	7,265	6,927
Less: Provision for doubtful debts	2,171	1,817
	7,372	7,142
Movement in provision for doubtful debts		
At the beginning of the year	1,817	3,779
Add: Provision made during the year	386	260
	2,203	4,039
Less: Bad debts written off against which provision was made/Reversal of Provision	32	2,222
At the end of the year	2,171	1,817



16. Cash and bank balances

(Rs. in lacs)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash and cash equivalents				
Balance with banks				
on current accounts	-	-	1,087	2,643
on fixed deposits with original maturity of less than three months	-	-	73	50
on unpaid dividend account	-	-	8	12
Cheques on hand	-	-	173	83
Cash on hand	-	-	25	9
	-	-	1,366	2,797
Other bank balances				
Deposits with original maturity for more than 12 months	1	1	2	30
Deposits with original maturity for more than 3 months but less than 12 months	-	-	17	27
Margin money deposit*	458	558	-	-
	-	-	-	-
	459	559	19	57
Amount disclosed under non-current assets (note 17)	(459)	(559)	-	-
	-	-	1,385	2,854

* Includes Rs. Nil (Previous year: Rs. 47 lacs) held in liquidity margin under Companies (Acceptance of Deposit Rules) and Rs. 437 lacs (Previous year: Rs. 511 lacs) as margin for bank guarantees.

17. Other assets

(Rs. in lacs)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Non-current bank balances (refer note 16)	459	559	-	-
Interest receivable	-	-	50	22
Export benefit receivable	-	-	556	444
Insurance claim receivable	-	-	20	2
Assets held for Sale (refer note 39)	-	-	-	1,170
Job work charges receivable	-	-	101	147
	459	559	727	1,785

18. Revenue from Operations

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Sale of products		
Finished goods	52,861	45,983
Traded goods	1,816	3,229
Sale of services	1,620	2,822
Other operating revenue		
Scrap sales	117	122
Export benefit	810	652
Technicals Support & Development Fees	35	32
Lease Rentals	456	-
Revenue from operations (gross)	57,715	52,840
Less: Excise duty#	1,225	1,398
Revenue from operations (net)	56,490	51,442



Excise duty on sales amounting to Rs. 1225 lacs (Previous year: Rs. 1,398 lacs) has been reduced from sales in the statement of profit and loss and excise duty on increase / decrease in finished goods amounting to (Rs. 61 lacs) (Previous year: (Rs. 3 lacs)) has been considered in note 22 of financial statements.

Details of products sold

Finished goods sold

Agro chemicals and intermediates	39,441	32,579
Bulk drugs and intermediates	4,351	4,148
Phosphorous and its compounds	2,749	2,830
Other chemicals	6,320	6,427
	52,861	45,983

Traded goods sold

Agro chemicals and intermediates	1,639	1,586
Formulated goods	-	133
Other chemicals	177	1,510
	1,816	3,229

Details of services rendered

Job work income	1,548	2,435
Micronisation and handling charges	72	387
	1,620	2,822

19. Other income

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Interest income on		
Bank deposits	97	76
Others	241	79
Government grants	4	4
Exchange difference (net)	276	1,318
Profit on sale of long-term investments (net)	1,013	-
Profit on sale of fixed assets (net)	37	10
Service charges	1	7
Provision for Doubtful Debt & Advance written back	489	-
Sundry credit balances written back (net)	58	182
Rent income	64	95
Miscellaneous Income	34	19
	2,314	1,790

20. Cost of raw materials consumed

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Stock of raw material at the beginning of the year	2,592	1,897
Add: Purchases	29,124	25,862
	31,716	27,759
Less: Sale of raw materials	291	295
Less: Sale of raw materials transferred on sale of unit	100	-
Less: Stock of raw material at end of the year	2,515	2,592
	2,906	2,887
Foreign Exchange Movement	64	(141)
Cost of raw material consumed	28,874	24,731


Details of raw material consumed

Agro chemicals and its intermediates	20,827	14,817
Bulk Drugs and Intermediates	2,506	2,741
Oxalic acid and oxalates	2,955	2,568
Other chemicals	2,586	4,605
	28,874	24,731

21. Purchase of traded goods

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Agro chemicals and its intermediates	0.24	1,026
Formulated goods	196	54
Organic chemicals	-	69
Other chemicals	140	1,092
	336	2,241

22. (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods

(Rs. in lacs)

	31 March 2015	31 March 2014	(Increase)/decrease
Inventories at the end of the year			31 March 2015
Traded goods	177	238	61
Work-in-progress	564	818	254
Finished goods	3,632	3,316	(316)
	4,373	4,372	(1)
Inventories at the beginning of the year			31 March 2014
Traded goods	238	490	(252)
Work-in-progress	818	763	55
Finished goods	3,316	2,232	1,084
	4,372	3,485	887
Foreign Exchange Movement	35	(78)	
(Increase)/Decrease in excise duty on closing stock of finished goods	61	(3)	
Less: Stock transferred on sale of unit	254	-	
	(159)	(968)	
Details of inventories	31 March 2015	31 March 2014	
	Rs. in lacs	Rs. in lacs	
Traded goods			
Agro chemicals and intermediates	177	-	
Formulated goods	-	11	
Other chemicals	-	227	
	177	238	
Work-in-progress			
Agro chemicals and intermediates	234	350	
Bulk drugs and intermediates	294	372	
Sulphur based compounds	-	23	
Other chemicals	36	73	
	564	818	
Finished goods			
Bulk drugs and intermediates	2,081	2,005	
Formulated goods	-	240	
Agro chemicals and intermediates	1,221	951	
Other chemicals	330	120	
	3,632	3,316	


23. Employee benefit expenses

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Salaries, wages and bonus	9,767	8,387
Contribution to provident and other funds	422	429
Gratuity and leave encashment expense (refer note 29)	315	415
Staff welfare expenses	841	769
	11,345	10,000

24. Operating and other expenses

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Consumption of stores and spares	120	194
Power and fuel	3,959	4,439
Repairs and maintenance - plant and machinery	852	886
Repairs and maintenance - buildings	40	73
Repairs and maintenance - others	25	59
Sub-contracting charges	277	481
Rent	113	149
Rates and taxes	757	570
Insurance charges	96	162
Bad debts / advances written off	68	53
Postage, telegrams and telephones	78	99
Traveling and conveyance	599	653
Commission on sales (other than sole selling agents)	190	223
Discount on sales	49	60
Provision for doubtful advances (net) (refer note 12)	16	26
Packing expenses	465	653
Freight and handling expenses	731	570
Job work expenses	30	-
Director's sitting fees	7	3
Charity and donations (other than political parties)	1	1
Provision for doubtful debts (net) (refer note 15)	227	260
Provision for diminution in the value of investments	-	4
Research and development expenses	62	55
Marketing and promotional expenses	34	5
Other expenses*	2,559	1,699
	11,355	11,377

***Includes payment to auditor**

As auditor :

Audit fee	20	20
Limited review	9	9
Out of pocket expenses	2	2
Reimbursement of expenses	1	-
	32	31

25. Depreciation and amortization expenses

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Depreciation of tangible assets	1,616	1,333
Amortization of intangible assets	301	283
	1,917	1,616



26. Finance costs

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Interest on loans and deposits	2,527	2,431
Interest on cash credit accounts	790	843
Interest on others	128	141
Bank charges	27	50
	3,472	3,465

27. Exceptional Items

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Voluntary Retirement compensation (refer note a below)	217	338
	217	338

- a. The Company had announced voluntary retirement scheme for employees of one of its unit which have been accepted by some of the employees of that unit. Accordingly during the year, the Company has accrued voluntary retirement compensation payable to these employees.

28. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Rs. in lacs)

	31 March 2015	31 March 2014
Profit after tax for calculation of basic and diluted EPS	1,420	96
Weighted average number of equity shares in calculating basic and diluted EPS (in numbers)	12,262,185	12,262,185
Earnings per share (basic and diluted) (in Rs.)	11.58	0.78

29. Employee benefits

A. Defined contribution plan - provident fund and superannuation fund

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

(Rs. in lacs)

	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Contribution to provident fund	254	247
Contribution to superannuation fund	137	156
	390	403

B. Defined benefit plans - gratuity

The Company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with an insurance company in the form of qualifying insurance policy.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost



(Rs. in lacs)

	31 March 2015	31 March 2014
Current service cost	62	65
Interest cost on benefit obligation	101	81
Expected return on plan assets	(25)	(27)
Net actuarial (gain)/loss recognized in the year	94	172
Net benefit expenses	232	291
Actual return on plan assets	23	30
Balance sheet		
Benefit asset/liability		
Present value of defined benefit obligation	1,247	1,229
Fair value of plan assets	159	296
Plan asset/(liability)	(1,088)	(933)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	1,229	1,091
Transfer on sale of Agro Formulation unit	(27)	-
Current service cost	62	65
Interest cost	101	81
Benefits paid	(210)	(183)
Actuarial (gains)/losses on obligation	92	175
Closing defined benefit obligation	1,247	1,229
Changes in the fair value of plan assets are as below:		
Opening fair value of plan assets	296	346
Transfer on sale of Agro Formulation unit	(17)	-
Expected return	25	27
Contributions by employer	57	101
Benefits paid	(200)	(182)
Actuarial (gains)/losses	(2)	3
Closing fair value of plan assets	159	296
Contribution for the next year	130	145
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investments with insurer	100%	100%
	100%	100%
The principal assumptions used in determining gratuity for the company's plans are shown below:		
Discount rate	8.00%	8.50%
Expected return on plan assets	9.00%	8.85%
Employee turnover	2.00%	2.00%
Expected rate of salary increase - Agro Chemical unit	5.00%	6.00%
Expected rate of salary increase - Other unit	6.00%	6.00%
Mortality table	IALM (2006-08)	IALM (2006-08)
Proportion of employees opting for early retirement	1% to 3%	1% to 3%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.



Amounts for the current and previous four periods / years are as follows:

(Rs. in lacs)

	31 March 2015	31 March 2014	31 March 2013	30 September 2012	31 March 2011
Defined benefit obligation	1,247	1,229	1,091	1,045	809
Plan assets	159	296	346	372	302
Surplus/(deficit)	(1,088)	(933)	(745)	(673)	(507)
Experience adjustment on plan liabilities	(96)	(168)	(11)	4	1
Experience adjustment on plan assets	(2)	21	(17)	158	(58)

30. Interest in Joint Venture

The Company has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. The proportionate interest of the Company in the said entity as per the latest audited Balance Sheet as at 31 March 2015 is as under:

	31 March 2015 (In Rs. lacs)	31 March 2014 (In Rs. lacs)
Current assets	1	1
Non-current assets	-	0.49
Current liabilities	19	20
Non-current liabilities	34	33
Equity	(52)	(52)
Revenue	1	1
Material cost	-	2
Employee benefit expenses	-	0.17
Operating and other expenses	1	1
Profits before tax	(0.11)	(2)
Income tax expenses	-	-
Profit after tax	(0.11)	(2)

31. Segment information

The Company is organized into two Business Segment namely:

- Chemicals - Comprising of Industrial, Agro Chemicals and their Intermediates, Speciality Chemicals etc.
- Bulk Drug - Comprising of Bulk Drug and Intermediates.

Year ended 31 March 2015

(Rs. in lacs)

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
Revenue from operations				
External	51,859	4,631	-	56,490
Inter-segment	1	8	(9)	-
Total revenue from operations	51,860	4,639	(9)	56,490
Results				
Segment results	5,773	(615)	-	5,158
Unallocated expenses (net of unallocable income)				22
Operating profit				5,136
Finance costs				3,472
Exceptional Items				217
Profit before tax				1,447
Tax expenses				63
Profit after tax before Income from Associate				1,384
Share of profits in associate for current year				36
Net Profit for the year				1,420



(Rs. in lacs)

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
As at 31 March 2015				
Segment assets	38,832	8,333	-	47,165
Unallocated assets				1,051
Total assets	38,832	8,333	-	48,216
Segment liabilities	17,451	1,846	-	19,297
Unallocated liabilities				32,383
Total liabilities	17,451	1,846	-	51,680
Other segment information				
Capital expenditure:				
Tangible assets	817	570	-	1,387
Intangible assets	158	-	-	158
Depreciation	1,340	276	-	1,616
Amortization	301	-	-	301
Other non-cash expenses	111	200	-	311
Period ended 31 March 2014				
Revenue				
External sales	44,317	7,125	-	51,442
Inter-segment sales	216	10	(226)	-
Total revenue	44,533	7,135	(226)	51,442
Results				
Segment results	3,794	422	-	4,216
Unallocated expenses (net of unallocable income)				(19)
Operating profit				4,235
Finance costs				3,465
Exceptional Items				338
Profit before tax				432
Tax expenses				-
Profit after tax before Income from Associate				432
Share of profits in associate for current year				110
Share of losses of associate for earlier years				(446)
Net profit for the year				96
As at 31 March 2014				
Segment assets	39,485	8,777	-	48,262
Unallocated assets				1,295
Total assets	39,485	8,777	-	49,557
Segment liabilities	14,357	1,663	-	16,020
Unallocated liabilities				36,910
Total liabilities	14,357	1,663	-	52,930
Other segment information				
Capital expenditure:				
Tangible assets	332	348	-	680
Intangible assets	171	-	-	171
Depreciation	1,073	260	-	1,333
Amortization	283	-	-	283
Other non-cash expenses	308	35	-	343



Geographical segments

The Company produces and sells its products in India and also Export the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purpose of AS-17 regarding Segment Reporting, secondary segment information on geographical segment is considered on the basis of revenue generated from India and Outside India.

(Rs. In lacs)

Year ended 31 March 2015	India	Outside India	Total
Revenue from operations			
External customers	11,838	44,652	56,490
Other segment information			
Segment assets	35,125	13,091	48,216
Capital expenditure			
Tangible fixed assets	1,187	200	1,387
Intangible assets	148	12	160
Year ended 31 March 2014	India	Outside India	Total
Revenue from operations			
External customers	22,395	29,047	51,442
Other segment information			
Segment assets	40,934	8,623	49,557
Capital expenditure			
Tangible fixed assets	650	30	680
Intangible assets	171	-	171

32. Related party transactions

Name of the related party and related party relationships

Related party where control exists

Subsidiaries, Associate and Joint Venture	1. STS Chemicals (UK) Limited	—	Subsidiary
	2. Source Dynamics LLC, US	—	Associate
	3. Stellar Marine Paints Limited	—	Joint Venture

Other related parties with whom transactions have taken during the year

Key management personnel

Directors

1. Mr. Shalil Shroff	—	Managing Director
2. Mr. Avtar Singh	—	Whole Time Director
3. Mr. S.S. Tiwari	—	Whole Time Director
4. Capt. S S Chopra (Retd.)	—	Director
5. Mr. Vipul Joshi	—	Chief Financial Officer (w.e.f 01.04.2014)
6. Mr. Punit K Abrol	—	Sr. Vice President (Finance) & Company Secretary (w.e.f. 01.04.2014)

Relatives of key management personnel

1. Mrs. Shaila Shroff
2. Mrs. Bhupinder Kaur
3. Mrs. Ravinder Kaur
4. Mr. Jaskaran Singh
5. Mrs. Mahinder S. Chopra

Enterprises over which key management personnel & their relatives have significant influence :

1. Hemsil Trading & Manufacturing Private Limited
2. M/s Salil Meta Chem
3. L & L Products Shroff Private Limited
4. Shalil Shroff (HUF)



The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

a. Loans given, advances made and repayment thereof

(Rs. In lacs)

	Year ended	Loans given/ Advances made during the year	Amount owed by related parties#
Subsidiaries			
STS Chemicals (UK) Limited	31 March 2015	-	72
(Refer note 2.1.1 (d))	31 March 2014	-	75
Joint Venture			
Stellar Marine Paints Limited	31 March 2015	-	-
	31 March 2013	3	-

The amounts are classified as advance receivable from related parties.

b. Loans taken, deposits received, advances received and repayment thereof

(Rs. In lacs)

	Year ended	Loans & Deposits taken/ Advance received during the year	Loans Repayment/ Interest payment during the year	Interest accrued during the year	Amount owed to related parties
Other related entities					
Hem-sil Trading and	31 March 2015	-	101	101	787
Manufacturing Pvt. Limited	31 March 2014	-	101	101	787
Salil Metachem	31 March 2015	-	52	5	-
	31 March 2014	-	15	5	47
Key managerial personnel					
Mr. Shalil Shroff	31 March 2015	2	-	-	2
	31 March 2014	-	-	-	-
Mr. Avtar Singh	31 March 2015	2	-	-	2
	31 March 2014	-	-	-	-
Mr. Punit K Abrol	31 March 2015	2	-	-	2
	31 March 2014	-	-	-	-
Relatives to key managerial personnel					
Others	31 March 2015	-	-	-	-
	31 March 2014	-	7	0.20	-

c. Other transactions with related parties

(Rs. In lacs)

	Year ended	Rent/service charges income /(expense) during the year	Amount receivable/ (payable) on account of income /(expense)
Other related parties			
Shalil Shroff HUF	31 March 2015	(1)	-
	31 March 2014	(7)	-
L & L Products Shroff Private Limited	31 March 2015	10	-
	31 March 2014	48	-



	Year ended	Provision for doubtful debts made during the year	Provision for doubtful debts written back during the year	Provision for doubtful advances made/advances written off during the year	Provision for doubtful advances written back during the year
Subsidiaries					
STS Chemicals (UK) Limited	31 March 2015	-	-	-	3
	31 March 2014	-	-	7	-
Joint Venture					
Stellar Marine Paints Limited	31 March 2015	-	-	-	-
	31 March 2014	-	-	31	-

d. Remuneration and other benefits

(Rs. In lacs)

	31 March 2015	31 March 2014
Remuneration to Directors		
Mr. Shalil Shroff	43	42
Mr. Avtar Singh	34	35
Mr. S. S. Tiwari	38	34
Mr. Vipul Joshi	45	-
Mr. Punit K Abrol	30	-
Benefits to Relatives		
Ms. Shaila Shroff	4	4
Ms. Ravinder Kaur	6	5
Mr. Jaskaran Singh	2	-
Ms. Bhupinder Kaur	1	1
Sitting Fees		
Capt. S. S. Chopra (Retd.)	1	1

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

33. Contingent liabilities

(Rs. In lacs)

	31 March 2015	31 March 2014
Claims against the company not acknowledged as debts		
Excise duty matters in dispute or under appeal	572	599
Income Tax matters in dispute or under appeal	830	837
Demand raised by Sales Tax Authorities	11	11
Labour laws matters in dispute or under appeal	13	13
Demand raised by previous land owners	574	499

The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

The Company shall indemnify the damages to the Managing Director/Directors in case their personal guarantees are invoked in respect of loans, backed by their personal guarantees.

34. Capital and other commitments

(Rs. In lacs)

	31 March 2015	31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	64	16
Other commitments (Deposit for Performance Guarantee)	625	2,125
	689	2,141



35. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

31 March 2015				31 March 2014	
	Currency	Indian Rupees in lacs	Foreign Currency in lacs	Indian Rupees in lacs	Foreign currency in lacs
Trade receivable / advances to vendors	EUR	323	4.81	444	5.38
	USD	2,389	38.24	2,468	41.19
Trade payable / advances from customers	EUR	105	1.57	101	1.22
	USD	1,441	23.05	1,539	25.68
Advances to / receivable from subsidiaries	GBP	38	0.41	41	0.41
Investments (at historical cost)	GBP	2	0.02	2	0.02

36. Information required for consolidated financial statements pursuant to Schedule III of Companies Act, 2013

31 March 2015					
Name of the entity	Particulars	Net assets as a % of consolidated		% of Share in profit and loss	
		%	(Rs. In lacs)	%	(Rs. In lacs)
Punjab Chemicals & Crop Protection Ltd.	Parent	47%	1,917	25%	356
SD Agchem (Europe) NV	Foreign Subsidiary	54%	2,231	60%	855
Sintesis Quimica S.A.I.C.	Foreign Subsidiary	0%		12%	173
Stellar Marine Paints Limited	Indian Joint Venture	-1%	(54)	0%	-
Source Dynamics LLC	Foreign Associate	0%	-	3%	36
		100%	4,094	100%	1,420

As regards to previous year :

31 March 2014					
Name of the entity	Particulars	Net assets as a % of consolidated		% of Share in profit and loss	
		%	(Rs. In lacs)	%	(Rs. In lacs)
Punjab Chemicals & Crop Protection Ltd.	Parent	56%	1,882	123%	118
SD Agchem (Europe) NV	Foreign Subsidiary	-105%	(3,531)	955%	917
Sintesis Quimica S.A.I.C.	Foreign Subsidiary	-62%	(2,082)	-626%	(601)
Stellar Marine Paints Limited	Indian Joint Venture	-2%	(54)	-2%	(2)
Source Dynamics LL	Foreign Associate	12%	412	-350%	(336)
		100%	(3,373)	100%	96

Note: Net assets and share of profit and loss reported in the above table have been considered from the respective audited financial statements after making necessary changes for consolidation adjustments having impact on the consolidated net assets and net profits.

37. Amounts capitalized in the respective project costs and excluded from:

During the previous period, the company had capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	31 March 2015 Rs. In lacs	31 March 2014 Rs. In lacs
Salaries, wages and bonus	124	-
Raw Material Consumption	41	-
Power and fuel	28	-
Finance costs	17	-
Total	210	-
Less: Trial run inventory (refer note 14)	18	-
Total amount capitalised	192	-


38. Break-up of Deferred Tax Assets and Deferred Tax Liabilities :

(Rs. In lacs)

	31 March 2015	31 March 2014
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,690	2,071
(A)	1,690	2,071
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Provision for Gratuity	370	303
Provision for Leave encashment	145	124
Others	16	83
Unabsorbed losses and depreciation*	1,159	1,561
(B)	1,690	2,071
Net deferred tax asset/(liability)	(A) - (B)	
	-	-

* Deferred tax assets (DTA) are recognised on carry forward unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Accordingly deferred tax assets has been recognised only to the extent of deferred tax liability.

39. Sale of Agro Formulation Division

During the previous year, the Company had entered into business transfer agreement ('the Agreement') for sale of agro formulation division of the Company. As per the terms of the Agreement, the Company has settled its working capital items with the buyer and necessary adjustment has been made in the books of accounts as at closing date.

40. Restructuring of subsidiary Company

Sintesis Quimica S.A.I.C has filed an application for the Bankruptcy protection in Argentina for which the Company has obtained the approval from the Court under file "Sintesis Quimica S.A.I.C. 14 28 31/05/12 Industria Quimica, Raul Scalabrini Ortiz 3333" on April 30, 2014 and accordingly, the Company has given its effect in the financial statements by virtue of which the amounts which are receivable and payable after one year, as per the Order, are classified as non-current.

41. a. One Time Settlement (OTS) with State Bank of India

The Company's proposal for One Time Settlement (OTS) with State Bank of India (SBI) has been accepted by the bank. As per the terms of OTS, the Company has to pay Rs. 4,550 lacs and sale proceeds from the 150,000 shares of the Company, pledged exclusively with SBI by one of the promoters against total outstanding dues of Rs. 9,485 lacs (including interest). Out of the said amount, Rs. 1,138 lacs has been paid by the Company before March 31, 2015. The said OTS is subject to fulfilment of conditions. The necessary adjustment in the books of account will be carried out after compliance of all conditions as specified in said OTS.

b. Corporate Debt Restructuring

In the earlier periods, the Company had obtained an approval for Debt Restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group ('CDR EG'). As per the CDR Scheme, the Company was liable to pay working capital demand loan amounting to Rs. 5,000 lacs till September 2012, out of which the Company has repaid Rs. 3,508 lacs (Previous year: Rs. 2,110 lacs) as of March 31, 2015 and further there are other borrowings outstanding as of the balance sheet date for which the Company is in the process of selling non-core assets for repayment of the aforesaid dues.

42. Previous year's figures

The company has reclassified previous year's figures to confirm to current year's classification.

As per our report of even date	For and on behalf of the Board of Directors of Punjab Chemicals & Crop Protection Limited		
For S R B C & CO LLP ICAI Firm registration number: 324982E Chartered Accountants per RAVI BANSAL Partner Membership No. 49365 Place : Mumbai Date : May 28, 2015	MUKESH D PATEL Vice Chairman	SHALIL SHROFF Managing Director	AVTAR SINGH Director (Operations & Business Development)
	PUNIT K. ABROL Sr. Vice President (Finance) & Company Secretary Place : Mumbai Date : May 28, 2015	VIPUL JOSHI Chief Financial Officer	



STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)- Form AOC-1,
the Company is presenting summarized financial information about individual subsidiaries as at March 31, 2015

(Rs. in lacs)

Part "A" : Subsidiaries

Sr. No.	Name of the Subsidiary Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on 31.3.2015	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turn-over	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of shareholding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1.	Sintesis Quimica S.A.I.C.	-	Peso	8.722	174	(2973)	7897	10696	-	14802	173	60	112	-	-
2.	SD Agchem (Europe) NV	-	Euro	67.08	4466	(9443)	2110	7087	-	1639	652	3	649	-	-

Note :-

- During the year 100% subsidiary, STS Chemicals (UK) Limited has not been considered for consolidation.

MUKESH D PATEL
Vice Chairman

SHALIL SHROFF
Managing Director

AVTAR SINGH
Director (Operations & Business Development)

PUNIT K. ABROL
Sr. Vice President (Finance) & Company Secretary

VIPUL JOSHI
Chief Financial Officer

Place : Mumbai
Date : May 28, 2015


Part "B" : Associates and Joint Ventures

(Rs. in Lacs)

S. No.	Name of Associates/Joint Ventures	Stellar Marine Paints Limited
1.	Latest audited Balance Sheet Date	31 March 2015
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	Number	22470
	Amount of Investment in Associates / Joint Venture	Rs. 224700
	Extend of Holding %	45%
3.	Description of how there is significant influence	Shareholding above 20%
4.	Reason why the associate / joint venture is not consolidated	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	-115.97
6.	Profit / Loss for the year	-0.24
i)	Consolidated in Consolidation	-0.11
ii)	Not Considered in Consolidation	-0.13

MUKESH D PATEL
Vice Chairman

SHALIL SHROFF
Managing Director

AVTAR SINGH
Director (Operations &
Business Development)

PUNIT K. ABROL
Sr. Vice President (Finance) &
Company Secretary

VIPUL JOSHI
Chief Financial Officer

Place : Mumbai
Date : May 28, 2015

NOTES

NOTES



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231CH1975PLC003603

Registered Office: SCO: 183, Sector- 26, Madhya Marg, Chandigarh- 160 019.

Tel No.:0172-5008300,5008301; Fax: 0172-2790160

E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com

ATTENDANCE SLIP

Registered Folio no./ DP ID no. / Client ID no. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of Shares held :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a Member / Proxy / authorised representative for the Member of the Company.

I hereby record my presence at the 39th Annual General Meeting of the Company at PHD House, Sector-31, Chandigarh on Friday, September 11, 2015 at 9:30 a.m.

Name of the Member/ Proxy
(in BLOCK letters)

Signature of the Member/ Proxy

NOTES:

1. You are requested to sign and handover this slip at the entrance of the Meeting value.
2. If you intend to appoint a Proxy to the meeting instead of yourself, the Form of Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231CH1975PLC003603

Registered Office: SCO: 183, Sector- 26, Madhya Marg, Chandigarh- 160 019.

Tel No.:0172-5008300,5008301; Fax: 0172-2790160

E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com

Name of the member(s) :		E-mail Id :	
Registered address :		Folio No./Client Id	
		DP Id :	

I / we, being the Member (s) of _____ shares of the above named Company, hereby appoint

Name : _____ E-mail : _____

Address : _____

Signature : _____ or failing him/ her

Name : _____ E-mail : _____

Address : _____

Signature : _____ or failing him/ her

Name : _____ E-mail : _____

Address : _____

Signature : _____

As my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 39th Annual General Meeting of the Company, to be held on Friday, the September 11, 2015 at 9:30 a.m at PHD House, Sector- 31, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Resolution	Vote (optional See Note 2) (Please mention No. of Shares)		
		For	Against	Abstain
Ordinary business				
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2015.			
2.	Appoint a Director in place of Shri Avtar Singh who retires by rotation and being eligible, seeks re-appointment.			
3.	To ratify appointment of the Statutory Auditors and to fix their remuneration.			
Special Business				
4.	Appointment of Shri Sheo Prasad Singh (DIN: 06493455) as an Independent Director			
5.	Appointment of Shri Shivshankar Shripal Tiwari (DIN: 00019058) as a Director liable to retire by rotation.			
6.	To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016.			

Signed this _____ day of _____ 2015.

Signature of the Member

Signature of the proxy holder(s)

Affix Re. 1/-
Revenue Stamp

Notes :

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the Annual General Meeting.
- It is optional to indicate your preference. If you leave 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.