

35th

ANNUAL REPORT
AND ACCOUNTS
2010 - 2011



**PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED**

उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः



20.7.1932-18.12.1997

S D SHROFF

(Known to all as 'Sasubhai')

He dared.

He cared.

He shared.

His vision to grow the company remains.....

Chairman's Message



Dear Members,

Namaste!

It is a matter of immense pleasure to interact with you through this column and apprise about the working and future plan of the Company.

The working in the year 2010-11 was not encouraging. The Company was coping up with the after effects of the global meltdown, disruption of operations in one of the key agro chemical manufacturing plant due to fire, longer gestation period after repair of the plant, high interest cost of the existing debts and shortage of working capital. In spite of such upheavals, the Company has managed to run the operations with limited available resources. The sales turnover of the Indian Operations was better than last year, but not as expected. The operation of the overseas subsidiary companies have improved and the effect can be seen in the consolidated accounts.

The opportunity in the Company's business are enormous and full operations of the plant will bring turnaround. The bankers have helped the Company by restructuring the debts of the Company and assured further help also. I, on behalf of the Board of Directors & myself thank all the Bankers, Suppliers and other stakeholders for their supportive approach and faith in the management and business of the Company.

As you all know, the Indian economy has emerged with remarkable rapidity from the slowdown caused by the financial crisis of 2007-09. On one side, it has opened new avenues for the Indian players and on the other side, it has also necessitated the increase of agriculture production and productivity for ensuring national food security, livelihood security, and nutritional security. Therefore, we foresee ample of opportunities that will elevate PCCPL to a higher level of performance.

I am very pleased to share that during this year, we have completed the process of amalgamation of our subsidiary, Parul Chemicals Limited (PCL) with the Company and financial restructuring.

On behalf of the Board of Directors, senior executives and all employees at all levels in the Company, let me assure you that we will endeavor to leave no stone unturned to take our Company out of this difficult time and to create better future.

With warm regards,


G. Narayana

Managing Director's Message



Dear Members,

Greetings!

I would like to take this opportunity to share the status of the working of the Company with you. No doubt, the year under review was full of challenges, hardship and liquidity shortages. The Company could not use its full potentials during the year inspite of available market for the products and adequate manufacturing capacity. The production remained erratic in the plants for want of the working capital. The fire in April, 2009 which disrupted the operations in Agro Chemicals Division with long gestation period after repair had an impact on the working capital cycle. The interest burden on the borrowings remained the cause of concern and there was no capacity to borrow further. The infusion of equity could not be materialized due to various reasons. In spite of this, the standalone working results recorded marginal improvement with increase in sales to Rs. 341 crores against Rs. 303 crores and a net loss of Rs. 13 crores against Rs. 41 crores of the previous year.

Performance of the overseas subsidiary companies have been encouraging and the consolidated turnover recorded at Rs. 651 crores against Rs. 569 crores of the last year with net loss of Rs. 6 crores against Rs. 59 crores of last year. In Agrichem B.V., Netherland, combination of various developments and product mix resulted in a higher gross margin with a positive result of Euro 1.2 million. Additional interest expense for not meeting the financial covenants criteria and amortization of Registration expenses had restricted the profitability of the Company. In spite of this, the Company has been successful in adding new customers, new product registrations in Netherlands and other European countries. The Company is looking for alternatives to arrange finance in the Company and negotiating with the banks to reduce the interest cost.

Sintesis Quimica, another subsidiary Company in South America, has recorded a turnover of Rs. 165 crores against Rs. 121 crores of last year. Further, it has emerged as a reliable and stable formulator of Agro Chemicals for various reputed multi national companies. However, the profit during the year almost remained the same, inspite of quantum jump in sales. The exorbitant increase in the cost of labour and high inflation of about 25% had an impact its overall profitability. During the year, this subsidiary company sold part of its business which was not a core business of the Company. The well accepted products, manufacturing capacity and formulations business forsee a positive outlook in the working. However, the results will depend upon the policy of the country on labour management and inflation.

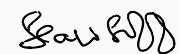
Overall, the current year should be better as the things have started improving for Indian operations because of various measures taken, including the restructuring of debts by the banks which enabled us to defer some of the installments and reduction in interest rate.

We are thankful to all the bankers for their positive approach, faith on company's business model and helping in this time of crisis.

I would like to assure all the stakeholders that we will put all efforts to utilize the potentials and capabilities of the Company to the full extent and will face this challenge with utmost courage and confidence. At this juncture, I would like to mention that all our executives, staff and working members at offices and factories are working and contributing with dedication in this difficult situation, for which we are thankful to them. Personally, I am extremely thankful to all the members of the Board of Directors of the Company for their continuous support, guidance and suggestions at this juncture. Their efforts to bring turnaround in this Company are acknowledged with gratitude.

On behalf of Team-PCCPL, I would like to pay sincere thanks to all of you, the bankers, suppliers and other stakeholders for the continuous support and faith on the management and employees.

Thank you,


Shalil S Shroff



COMPANY INFORMATION

BOARD OF DIRECTORS

G. Narayana, Chairman
Shalil Shroff, Managing Director
A.G. Shroff, Director (upto 11th February, 2011)
Capt. S.S. Chopra (Retd.)
Mukesh D Patel
Jagdish R Naik
Vijay Rai
Ajit R Sanghvi
Jai Parkash Bhambhani
Avtar Singh, Director (Operations & Business Development)
Shiv Shanker Tiwari, Whole Time Director
Rupam Shroff, Whole Time Director
R.W. Khanna, Nominee Director (w.e.f. 30th May, 2011)

Sr. V.P. (FINANCE) & COMPANY SECRETARY

Punit K. Abrol

CHIEF FINANCIAL OFFICER

Vipul Joshi

AUDITORS

S.R. Batliboi & Co., Mumbai

BANKERS

State Bank of India
Bank of Baroda
Export-Import Bank of India
Allahabad Bank
Union Bank of India
Central Bank of India

REGISTERED OFFICE

SCO: 417-418, Sector-35C
Chandigarh-160 022.
Ph.: 0172-2600955, 2603120
Fax : 0172-2603621
E-mail: info@punjabchemicals.com

CORPORATE OFFICE

Plot No.: 645-646, 4th/5th Floor
Oberoi Chambers II
New Link Road, Andheri (W)
Mumbai-400 053, Tel.: 022-2674 7900 (30 lines)
Fax: 022-2673 6193, 26736013
E-mail: enquiry@punjabchemicals.com

OTHER OFFICES

NEW DELHI

1012, Ansal Bhawan
K.G. Marg, New Delhi-110 001
Ph.: 011-23314867, 23312406
Fax: 011-23314890
E-mail: rs@punjabchemicals.com

AHMEDABAD

205-206, Supath-II Complex
Ashram Road,
Near Vadaj Bus Terminus, Ahmedabad
Tel.: 079-27552583
Fax: 079-27561127
E-mail : kalendu@punjabchemicals.com

HYDERABAD

414, Navketan Complex
Opp. Clock Tower Garden
62, S.D. Road, Secunderabad
Tel.: 040-27805662
Fax: 040-27805663
E-mail: jose@punjabchemicals.com

MANUFACTURING SITES

Agro Chemicals Division - PCCPL - Derabassi
Pharma Division - Alpha Drug - Lalru
Industrial Chemical Division - Excel Phospho Chem I - Tarapur
Industrial Chemical Division - Excel Phospho Chem II - Pune
Sulphur Formulation Division - IA & IC Chem - Chiplun
Agro Formulation Division - Vadodara



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

INFORMATION FOR SHAREHOLDERS

35th Annual General Meeting

Wednesday, the 7th September, 2011 at 11.30 A.M.

at PHD House

Sector - 31, Chandigarh

Book Closure Dates

1st September, 2011 to 7th September, 2011



Registrar and Share Transfer Agent

Alankit Assignment Ltd.

RTA Division

2E/21, Anarkali Market, Jhandewalan Extension

New Delhi-110 055.

Tel.: 011-42541234, 23541234, Fax: 011-23552001

E-mail : info@alankit.com



Share Transfer System

Share transfer would be registered and returned within a period of 30 days from the date of receipt, if the documents are in order in all respects.



Assistance

For assistance regarding share transfer and transmission, change of address, duplicate/missing share certificates and other matters, please write to the Registrar & Share Transfer Agent, Registered Office or Corporate Office of the Company.

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A REQUEST

We are sure you will read with interest the Annual Report for the year 2010-11. 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.

Shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been paid.

The trading in the equity shares of the Company is compulsorily in dematerialised form since 28th August, 2000. Therefore, the same should be got dematerialised, if not done so far.

Website: www.punjabchemicals.com



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Regd. Office: SCO: 417-418, (1st and 2nd Floor), Sector-35-C, Chandigarh-160 022

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on Wednesday, the 7th September, 2011 at PHD House, Sector-31, Chandigarh at 11.30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the financial year ended 31st March, 2011, the Balance Sheet as at that date, and the Report of the Directors and the Auditors Report thereon.
2. To appoint a Director in place of **Shri Ajit R Sanghvi**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri M.D Patel**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor and to authorize the Board of Directors to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s S.R. Batliboi & Company, Chartered Accountants, Mumbai, (Membership No. 301003E) be and are hereby re-appointed as the Statutory Auditors of the Company to conduct the Audit of the accounts of the Company for the financial year 2011-12 and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and at such remuneration and out of pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON A POLL, INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Members/ proxies should bring duly filled in and signed attendance slips for attending the Meeting. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the resolution under Section 187 of the Companies Act, 1956.
3. Members are requested to bring their copy of the Annual Report to the Meeting.
4. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID numbers for easy identification and attendance at the meeting.
5. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
6. Members are requested to notify any change in their addresses to their respective Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID No. and to the Company or to M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent, in respect of their physical shares quoting Folio No. and giving complete address in block capitals with pin code of the postal address.
7. Members who have multiple folios in identical names or joint holding in the same order are requested to send all the share certificates to the Company or to M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent, for consolidation of such folios into one to facilitate better services.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 1st September, 2011 to Wednesday, the 7th September, 2011 (both days inclusive).
9. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years from the date they become due for payment are required to be transferred to Investors Education & Protection Fund, established by the Central Government. The details of the same are as under:

FINANCIAL YEAR	DIVIDEND %AGE	TYPE	DATE OF DECLARATION	DUE DATE OF TRANSFER
PCCPL				
2003-04	50	Final	18.08.2004	17.09.2011
2004-05	40	Final	28.12.2005	27.01.2013



FINANCIAL YEAR	DIVIDEND %AGE	TYPE	DATE OF DECLARATION	DUE DATE OF TRANSFER
PCCPL				
2005-06	40	Final	07.09.2006	06.10.2013
2006-07	25	Final	30.08.2007	29.09.2014
2007-08	40	Final	29.08.2008	28.09.2015
2008-09	15	Final	25.09.2009	24.10.2016
ERSTWHILE STS CHEMICALS LTD. (NOW AMALGAMATED WITH THE COMPANY)				
2003-04	6	Final	02.09.2004	01.10.2011
2004-05	6	Final	29.12.2005	28.01.2013

Members, who have not encashed their dividend warrants pertaining to the aforesaid years, are required to write to the Company for revalidation of Dividend Warrants before such unclaimed dividend is transferred to Investors Education & Protection Fund.

10. Information and Disclosures pursuant to Clause 49 IV (G) of the Listing Agreement for the Directors who are being appointed / re-appointed is annexed as Annexure-I to this notice.
11. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the meeting.

By order of the Board of Directors

Punit K Abrol

Sr. V.P. (Finance) & Company Secretary

Regd. Office:

SCO: 417-418, 1st and 2nd Floor,
Sector-35C
Chandigarh-160 022

Date: June 10, 2011

ATTENTION MEMBERS

Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies for sending the Notice of Annual General Meeting along with Balance Sheet, Profit & Loss Account, Auditors' Report, Directors' Report and Explanatory Statement, etc to the members of the Company, as required under Section 219 of the Companies Act, 1956, through e-mail, pursuant to its general circular no.18/2011, dated 29th April, 2011. In view of this, the Company urges its members to register their e-mail addresses and changes therein from time to time with the Company or the Register and Share Transfer Agent, if shares are held in physical form and with their respective Depositories, if shares are held in demat form, in order to be a part of this virtuous initiative of the Government.

**ANNEXURE- I****Disclosure pursuant to Clause 49 IV(G) of the Listing Agreement.**

Brief resume of the Directors who are being re-appointed as a Director of the Company.

A. Shri Ajit R Sanghvi

Shri Ajit R Sanghvi, aged 54 years, is an Independent Non-Executive Director of the Company. He is a Commerce graduate and has completed his Masters degree in Commerce. He is a qualified Chartered Accountant having extensive experience in financial service industry & stock brokering.

He serves as a Director of Acrysil Ltd., Sterling Consultancy Pvt. Ltd., Hrisal Investment Advisors Pvt. Ltd., MSS Securities Pvt. Ltd. and Harileela Investrade Pvt. Ltd.

He is a member of Audit Committee and Remuneration Committee of the Company.

He holds 24,928 shares of Rs. 10/- each of the Company as on the date of this notice.

None of the Directors of the Company, except Shri Ajit R. Sanghvi, himself is concerned or interested in the proposed resolution.

B. Shri M.D Patel

Shri M.D Patel, aged about 64 years, is an Independent Non-Executive Director of the Company. He is a graduate in Chemical Engineering. Besides having over 36 years experience in various areas of finance and corporate management at Director level. He was associated with various industry bodies such as Indian Chemicals Manufacturer's Association, CHEMXCIL and Indian Association of Materials' Management.

At present he is on the Board of Universal Esters Ltd., Infinity Consultants Ltd., Transpek Finance Ltd., Shilchar Technologies Ltd., Gujarat Automotive Gears Ltd., Transpek Industry Ltd. and Banco Products (India) Ltd.

He is the Chairman of the Audit Committee and Shareholders & Investors Grievance Committee of the Company. He is also a member of the Remuneration Committee of the Company.

He holds 400 shares of Rs. 10/- each of the Company as on the date of this notice.

None of the Directors of the Company except Shri M.D Patel, himself is concerned or interested in the proposed resolution.



DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors are pleased to present the 35th Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The performance of the Company during the year as compared to the previous year is summarized below:

(Rs. in Lacs)

	Consolidated*		Standalone	
	2010-11	2009-10	2010-11	2009-10
Sale of Products & Other Income (Net)	68054	58302	36856	32473
Profit / (Loss) before Depreciation & Tax & Exceptional item	2202	(4015)	(1279)	(4441)
Less: Depreciation/Amortisation	3159	3419	694	1059
Profit / (Loss) before Tax & Exceptional item	(957)	(7434)	(1973)	(5500)
Less: Exceptional item	619	-	619	-
Profit / (Loss) before Tax	(338)	(7434)	(1354)	(5500)
Less: Provision for Taxation				
Current year	435	175	-	-
Deferred Tax Asset / (Liability)	(141)	(1813)	-	(1457)
Profit / (Loss) after Tax	(632)	(5796)	(1354)	(4043)
Minority Interest	-	1	-	-
	(632)	(5795)	(1354)	(4043)
Add/(Less):				
Excess/(Short) Provision for Taxes of earlier years.	1	(84)	1	(69)
Net Profit / (Loss)	(631)	(5879)	(1353)	(4112)
Post Merger loss of Parul Chemicals Limited for the year ended 31 st March, 2011	-	-	(28)	-
Profit brought forward from previous year	-	216	-	1226
Profit/ (Loss) available for Appropriation	(631)	(5663)	(1381)	(2886)
Carried forward to next year	(631)	(5663)	(1381)	(2886)

* Consolidated financial statements for the year ended 31st March, 2011 form part of the Annual Report and Accounts of its Subsidiary Companies.

Figures for the previous year have been regrouped, wherever necessary to make them comparable with figures of the current year.

DIVIDEND

Your Directors have not recommended any dividend for the year 2010-11 keeping in view the loss in the working of the Company.

SCHEME OF ARRANGEMENT

The amalgamation of the erstwhile Parul Chemicals Limited (PCL), Vadodara with the Company (PCCPL), has been sanctioned by the Hon'ble High Court of Punjab & Haryana at Chandigarh and by the Hon'ble High Court of Gujarat at Ahmedabad vide their orders dated 11th March, 2011 and 23rd March, 2011 respectively. Consequent upon the aforesaid approvals, the assets and liabilities of PCL have been transferred to and vested in the Company with retrospective effect from 1st April, 2009 ('the Appointed Date'). In view of this, the financial results of the Company for the year 2010-11 have been prepared after taking effect of the approved scheme. The Authorized Capital of the Company has accordingly been increased to Rs. 18 crores from Rs. 15 crores as shown in Schedule 'A' of the Balance Sheet, with effect from 26th March, 2011 (the 'Effective Date'). Further, the Board of Directors of the Company in their meeting held on 11th May, 2011, have allotted 69,293 Equity shares of Rs. 10/- each fully paid-up to the shareholders of the erstwhile PCL without payment being received in cash and in the exchange ratio approved by the Hon'ble High Courts. The Company has also initiated the process of listing of these shares on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the Company's shares are already listed.

Further, in accordance to the aforesaid sanctioned scheme of arrangement, the fixed assets of the Company have been reinstated at their respective fair value on the basis of the report of a competent Valuer appointed by the Company. The re-instatement adjustment was accordingly credited to Business Reconstruction Reserve (BRR) account. The Company has utilized the BRR by adjusting certain expenses as detailed in the Notes to Accounts.

The Board of Directors feel that the amalgamation of PCL with the Company will provide benefit to the Company by way of business integration and further strengthen its presence in the domestic and export markets.

**OPERATIONS**

The total income of the Indian operations of the Company increased to Rs. 368 crores with a net loss of Rs. 13 crores in the year under review against the total income of Rs. 325 crores and a net loss of Rs. 41 crores in the previous year. The exports increased by 36% and were recorded at Rs. 146 crores against Rs. 107 crores in the previous year. It may be observed that operations of the Company had improved marginally in the year but not upto the level it should have been. The after effects of the global meltdown, disruption of operations in the Agro Chemicals Division due to fire and gestation period after repair of the plant caused shortage of working capital. The high interest cost of the existing debts further affected the working. There could be no infusion of capital from the market as envisaged due to various reasons.

The operations of the overseas subsidiary companies have improved and accordingly, the consolidated income of the Company during the year was at Rs. 680 crores against Rs. 583 crores in the previous year with 17% increase. Accordingly, the overall loss of the Company on consolidated basis reduced to Rs. 6 crores against loss of Rs. 59 crores in the previous year.

The working of Agrichem B.V., a subsidiary Company, has improved with new product mix resulting to a higher gross margin. The Company added new customers for its products and obtained few new registrations in the European countries. The Company is now able to compete in the Crop Protection industry with its efforts, knowledge of clients and leading products. During the year, the sales of this subsidiary Company was Rs. 178 crores against Rs. 145 crores and PAT of Rs. 6 crores against the loss of Rs. 13 crores in the previous year, after providing amortization of Registration expenses.

In Sintesis Quimica, Argentina, another subsidiary Company, the income has increased to Rs. 169 crores from Rs. 121 crores in the year under review with a PAT of Rs. 3.18 crores against Rs. 3.73 crores in the previous year. However, the profit did not increase in proportion to increase in sales due to enormous increase in the cost of labour and high inflation in that country.

OUTLOOK

The Company has the facilities of manufacturing technicals and branded formulations of agro chemicals business. In addition, Pharma, Industrial Chemicals and specialized bio-products add to the business prospects.

Your Company has the potentials, zeal to grow, employees' dedication and market of the products. The only constraint is high debt and less capacity utilization due to working capital shortage. The efforts are continued for infusion of Capital in the system to reduce pressure of the debts. The synergy of utilization of product registrations in India and Overseas, mixed product portfolio and efficiency in the manufacturing processes are the key factors to bring turnaround in the Company. The integration of products manufacturing in Indian units with the overseas registrations will add value, once the production capacity is fully utilized.

Therefore, the outlook of the Company in the medium to long term is growth oriented barring unforeseen circumstances.

SUBSIDIARY COMPANIES

The consolidated result of the Company includes the results of the subsidiary companies as mentioned in the Notes to Accounts of the Consolidated Financial Statements.

Your Board of Directors of the Company have resolved for not attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with this Annual Report, in view of the general exemption granted by the Ministry of Corporate Affairs, Government of India under section 212(8) of the Companies Act, 1956 vide General Circular No. 2/2011 dated 8th February, 2011. It is also stated that the Annual Accounts of the Subsidiary Companies and the related detailed information shall be made available to the shareholders of the Company and its Subsidiaries, upon receipt of request from them and shall be available for inspection at the registered office of the Company and also at the registered office of the concerned Subsidiary Companies. The Consolidated Financial Statement prepared in accordance with Accounting Standard 21 of the Institute of Chartered Accountants of India presented in this Annual Report include the financial information of the subsidiary Companies. The statement pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Companies is also included in this Annual Report.

FINANCE

During the year under review, the Company tried to infuse equity into the Company by way of issuing Preferential Convertible Warrants to one of the Promoter of the Company, but the proposal could not get matured, due to the inability of the Company to comply with the new proviso to sub-regulation (2) of Regulation 72 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

Further, the Company had requested the banks to restructure all the credit facilities for harmonization of the terms and conditions as per the available cash flow. The Banks have agreed to the proposal and the Company is in the process of executing documents. The harmonization of terms will help the Company to have more moratorium, longer period of repayment with reduced interest.

FIXED DEPOSITS

The amount of Fixed Deposits as on 31st March, 2011 was Rs. 590 lacs (previous year Rs. 481 lacs). The deposit amounting to Rs. 0.52 lacs were unclaimed by 2 depositors as on 31st March, 2011 (previous year Rs. 0.52 lacs by 2 depositors). The Company has sent reminders to these depositors to complete the procedural formalities for repayment.



In terms of the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs. 44,425 of Unclaimed Deposits pertaining to the financial year 2004-05 was transferred to the Investor Education and Protection Fund on the due date.

LISTING WITH STOCK EXCHANGES

The equity shares of the Company remains listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited having nation wide terminals. The requisite annual listing fees to these Stock Exchanges have been paid.

INSURANCE

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

The Company has received Rs. 13.67 crores (including Rs. 6.19 crores for 'Loss of Profit') from the Insurance Company against the claim filed for loss due to fire in one of the plants in Punjab in April, 2009.

ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

The environment management and pollution control are the foremost priorities in all the units of the Company. Accordingly, all efforts are made for the reduction of the waste generation and re-processing of the waste material, wherever possible. Multi effect evaporators have been installed in both the units in Punjab.

EMPLOYEES & INDUSTRIAL RELATIONS

Your Board of Directors sincerely appreciate the working and contribution of all categories of employees in this difficult time. Their suggestions to improve the productivity are seriously considered.

SOCIAL RESPONSIBILITY

In the Corporate Social Responsibility endeavour, medical camps and scholarships to the needy students are arranged by the company, as per the local requirement. The medical and other required facilities are also provided to the surrounding villages. The trust created in the memory of Late Shri S.D. Shroff, organizes the Blood Donation camp every year.

RESEARCH & DEVELOPMENT / QUALITY CONTROL

The regular R&D activities are carried out in the laboratories of Agro and Pharma manufacturing units to improve upon the existing processes, decrease effluent load and to develop new products and by-products.

DIRECTORS

Shri A.G. Shroff, Non-Executive Director of the Company, has resigned from the Board of Directors w.e.f 11th February, 2011. The Board of Directors expressed their deep sense of appreciation and gratitude for his outstanding services and contribution during his tenure as a Director of the Company since 1986.

Further, in accordance with Article 146 of the Articles of Association of the Company, read with Section 255 and 256 of the Companies Act, 1956, the office of Shri Jai Prakash Bhambhani is liable to retire by rotation at this Annual General Meeting but he has not offered himself for re-appointment. Accordingly, Shri Ajit R Sanghvi and Shri M.D. Patel, Directors of the Company, are liable to retire by rotation at this ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

The Board recommends their re-appointment for the approval of the members.

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

The Export-Import Bank of India (EXIM), banker of the Company, has appointed Shri R.W Khanna, Chief General Manager of EXIM Bank, as its Nominee Director on the Board of the Company. The Board of Directors welcome him on the Board of the Company and are confident that knowledge, expertise and vision of Shri R.W Khanna will be an invaluable contribution to the organization.

DEPOSITORY SYSTEM

M/s Alankit Assignments Ltd., 2E/21, Anarkali Market, 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.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.

(i) PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.

Particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956, are given in the Annexure to this Report.

(ii) PARTICULARS OF EMPLOYEES

The information under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011, is not required to be attached with this report, as none of the employee is covered under these Rules.

(iii) RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies (Amendment) Act, 2000, your Directors state that:

- (a) in the preparation of the Annual Accounts for the year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;



- (b) they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year at 31st March, 2011 and of the loss of the Company for the year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts on a going concern basis.

(iv) CEO/CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement, the Certificate duly signed by Shri Shalil Shroff, Managing Director (CEO) and Shri Vipul Joshi, Chief Financial Officer of the Company was placed before the Board of Directors along with the annual financial statements for the year ended on 31st March, 2011, at its meeting held on 30th May, 2011. The said Certificate is also annexed to the Corporate Governance Report.

COST AUDIT

The audit reports from Mrs. Pushpa Khanna, Cost Accountant and M/s Khushwinder Kumar & Co., Cost Accountant, in respect of the audit of cost accounts relating to "Insecticides" and "Bulk Drugs" respectively, for the Financial year 2009-2010 have been submitted to the Central Government directly on 25th September, 2010 and 20th September, 2010 respectively, which was due to be filed on September 27, 2010.

Further, the Company has received the approval of the Central Government for the appointment of Mrs. Pushpa Khanna, Cost Accountant, Chandigarh and M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar as Cost Auditors for the Financial Year 2011-12.

AUDITORS' REMARKS

In the Audit Report on the Consolidated financial statements for the Financial Year ended 31st March, 2011, the Auditors' have qualified as under:

- i) 100 % subsidiaries viz Agrichem Polska, N.V Agricultural Chemicals and Agrichem Helvetia GmbH, have not been considered for the purpose of preparation of the Consolidated Financial Statements.
- ii) Effect of investment in associate companies on the financial position and operating results of the Group, as required by Accounting Standard (AS)-23, 'Accounting for investment in Associates in Consolidated Financial Statement' have not been considered in the Consolidated Financial Statements.

The Board of Directors are of the opinion and record that the aforesaid subsidiaries and the associate companies do not have any significant operations, therefore, the non-inclusion of the same in the Consolidated Financial Statements have no significant impact on the financial position and operating results.

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 including tagging of fixed assets and updation of the Fixed Assets Register.

AUDITORS

M/s S.R. Batliboi & Company, Chartered Accountants, whose term of office as the Statutory Auditors of the Company will expire at the conclusion of the ensuing Annual General Meeting of the Company, have given to the Company a notice in writing of their willingness for re-appointment. They have also given a letter to the Company certifying that their proposed appointment as Auditors would be in accordance within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Directors of the Company have recommended their appointment.

CORPORATE GOVERNANCE

Your Company continues to practice the principles of 'Good Corporate Governance' during the year and the Board of Directors lay strong emphasis on accountability, integrity and responsibilities in dealings with employees, shareholders, consumers and community at large.

Report on Management Discussion and Analysis and Corporate Governance Report along with a Certificate from S.K Sharma & Associates, Practising Company Secretary, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges, form part of the Annual Report.

ACKNOWLEDGEMENT

The Board of Directors appreciate the continued commitment and dedication of employees at all levels. The support of various Banks and other lenders to the Company is appreciated and acknowledged.

For and on behalf of the Board of Directors

G. NARAYANA
Chairman

Place : Mumbai
Date : May 30, 2011



ANNEXURE TO THE DIRECTORS' REPORT

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:

- The effluent load is continuously monitored and controlled to save conversion cost.
- Required process modifications for different products to improve RM consumption and process implication.
- Replacement of high rated motors.
- CFL lamps have been replaced with tubes or other bulbs to reduce power consumption.
- The process load is monitored regularly to economies on the utility cost.

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

- Continuous monitoring for conservation of the energy. The required investment will be made to save energy cost.

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

- Above efforts and monitoring will reduce the energy conservation and will be cost effective.

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

FORM 'A'

	CURRENT YEAR (2010-11)	PREVIOUS YEAR (2009-10)
A. Power and fuel consumption		
1. Electricity		
a) Purchased		
Unit(Kwh)	2,17,85,951	1,70,21,259
Total Amt. (Rs.lacs)	1,157.58	878.70
Rate/Unit(Rs.)	5.31	5.16
b) Own Generation		
i) Through Diesel Generator		
Unit(Kwh)	12,46,459	18,25,793
Unit per ltr. of Diesel Oil	3.19	3.27
Cost/ Unit (Rs.)	11.25	9.71
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)	4,282	2,304
Total cost (Rs.lacs)	300.14	125.80
Average Rate (Rs.)	7,009	5,459
3. Furnace Oil		
Quantity (K.ltrs.)	560	446
Total Amount (Rs. Lacs)	147.23	99.84
Average rate (Rs.) per Kg.	26.29	22.39



	CURRENT YEAR (2010-11)	PREVIOUS YEAR (2009-10)
4. Others/Internal generation		
Husk Rice, Straw, Baggase, etc. (Agro Waste)		
Quantity (MT)	27,309	26,016
Total Cost (Rs.lacs)	1,294.93	1,025.65
Rate/Unit (Rs.)	4742	3942

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	742	1159	614	1045
ii) Pharma Products & their Intermediates	2638	4381	2266	4221
iii) Industrial Chemicals	244	78	263	126
iv) Sulphur based compounds	254	209	227	201

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.

- Development of economical and efficient processes of the ongoing products.
- Developing process to recover products from the effluents.

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

- The process time and the quality of the products improved.

3. Future plan of action :

- To upgrade the R&D facilities upto the international level.

4. Expenditure on R&D

	2010-11	(Rs. in lacs) 2009-10
a) Capital	-	-
b) Recurring	191.02	226.82
c) Total	191.02	226.82
d) Total R&D expenditure as %age of total turnover	0.56%	0.65%

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.
- The Company has obtained various global registrations to market its products.
 - The Company has participated in various exhibitions viz. Chemspec ; Cphi Worldwide (Madrid), Cphi India and CAC Shanghai, 2010 fair.
 - Pharma Division has been successfully inspected by European Directorate for the Quality of Medicines and Healthcare and has got approval for the supply of Trimethoprim and Albendazole to European market.

b) *Total Foreign Exchange earned and used*

	2010-11	(Rs. lacs) 2009-10
i) Earned	15,096	11,789
ii) Used	7,826	9,909

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2011

G. NARAYANA
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS REVIEW

1.1 Business Segment - Agro Chemicals and Other Chemicals

(a) Industry Structure and Development:

The year 2010-11 has been a classic year of economic recovery for India. The Indian economy remained on the path of rapid resurgence which began in 2009-10. As per the Advance Estimates released by CSO, the Indian economy has achieved a growth in real GDP of 8.6% in 2010-11 against 8% in 2009-10 and 6.08% in 2008-09. The robust industrial growth and fiscal consolidation have brought the economy under strain from the high inflation. Inflation peaked around March and April 2010 and has since been on a downward trend despite a disturbing turnaround in December 2010. The food inflation had remained high even more than last year. Last year the main drivers of food inflation were pulses, cereals and sugar which could be attributed to monsoon deficiency, whereas this year inflation seems to be driven by demand factors despite higher supply levels. In one of the report issued by Universal Ecological Fund, by 2020, considering the impacts of climate change and population growth, global wheat production will experience a 14% deficit between production and demand; global rice production an 11% deficit and a 9% deficit in maize production. Therefore, increasing agriculture production and productivity is a necessary condition for ensuring national food security, livelihood security, and nutritional security. In view of the above, use of agrochemicals has become the necessity of the farmers to save crops to increase the productivity. Further, growing varieties of various pests, diseases and their growing resistance to various pesticides will keep the demand for new products of agrochemicals upbeat.

(b) Opportunities & Threats:

The Company has the forward looking approach and clear vision. The manufacturing of various technical agrochemicals supported with various formulations are the right combination to grow.

The investment in obtaining various registrations and acquisition of strategic Companies in the Latin America and Europe are the added advantage and have strengthened the Company's presence in the Global Agrochemical Industry. The results of Sintesis Quimica, Argentina are encouraging. It has increased its presence in the local and international biological market. Agrichem B.V, another subsidiary Company, is currently exporting to over 15 countries and aims to capture the market in Africa and Middle East. The significant investment in the Product registrations will enable launching of several products in the coming years.

The area of operations of the domestic formulated agro-chemical products was restricted due to shortage of working capital. The growth potential is immense in Herbicides and Fungicides segment on which the Company has focus. In developed countries, environment friendly herbicides are preferred and their requirement is consistently growing whereas the use of insecticides is declining. The new biological agro products segment from an overseas subsidiary will add value to the business.

Liquidity, high cost of debt, longer period of debt realisation, registration process, frequent replacement of the agro chemicals and the international situation are few of the threats to the Company's business. The risks are controlled by the management as adequately as possible.

(c) Performance and outlook:

Your Company is engaged in business of manufacturing of various Agro-technicals, Agro-formulations, API's, Pharmaceutical Intermediates, Phosphorous Derivatives and Specialty Chemicals. It is a matter of concern that inspite of available opportunities, the Company could not utilise full capacity due to constraint of working capital after the global meltdown and fire in one of the Agro Chemicals unit in Punjab in April, 2009. The Company could only run operations with limited resources in the year under review. There was no infusion of capital from the market as envisaged inspite of the best efforts. During the year, the Company had requested the banks for harmonization of their terms and restructure the loans and other working capital facilities. The banks have accepted the same. The restructuring of loans will enable the Company to have more moratorium for repayment and reduction in interest.

The capacity utilisation in the plants have shown an increasing trend inspite of various hiccups. The Working Capital shortage delayed the running of the Agrochemicals plant in full swing. However, it is a matter of satisfaction that the customers have cooperated with the Company by lifting the material as per the availability.

The manufacturing of agrochemicals, speciality chemicals, phosphorous based compounds and formulated agro chemicals remain the major area of operations. The quality and service provided by the Company have helped to retain all the customers.

(d) Risks and concerns:

The weather conditions in the area of use of particular agro chemicals are the important factors. The raw material prices and the limited working capital are some of the matters of concern.

The Company is aware of these risks and concerns and takes appropriate measures wherever possible.

1.2 Business Segment - Pharma

(a) Industry Structure and Development:

According to one of the reports released by IMS Health, the global pharmaceutical market is expected to rebound in 2011 with 5% to 7 % growth in the coming year, as compared to 4% to 5% in 2010.



India's pharmaceutical industry is third largest in the world in terms of volume and stands 14th in terms of value. It is set to grow rapidly in the next few years as global patents of billions of dollars worth of drugs will expire in the near future, setting the stage for spurt in exports especially in the area of generic drugs.

The Company entered into a pharma business in 2003 after acquisition of the erstwhile Alpha Drug India Limited (ADIL), now merged in the Company. The division is growing and had started manufacturing another API. The number of products have increased. The CRAM business in the division is giving good return and helps in full utilisation of the infrastructure.

(b) Opportunities and Threats:

The international pharmaceutical market is highly competitive. The launching of new products and Research & Development are the key factors of success of any pharma unit. The manufacturing of fine chemicals, API and the contract manufacturing require highest standards and conformity to the procedures and specifications prescribed by the Principal.

(c) Performance and Outlook:

The Pharma Division of the Company has improved working by adding new products. The pharma plant has a GMP certification from the State Government. It has C.O.S. (Certificate of Suitability) for the European market for its key product - Trimethoprim. It also has ISO 9001:2000 and ISO 14001:2004 Certificates. DNV approval of Fami QS has opened European market for food additives, being manufactured by the Company.

During the year, this division has been inspected and approved for the supply of Trimethoprim and Albendazole to European Market by European Directorate for the Quality of Medicines and Healthcare. The division has also obtained GMP certificate from Danish Medicines Agency, Denmark.

(d) Risks and Concerns:

The competition from the domestic industry and import are the major risks. The contract manufacturing of few products may limit the Company's potential of development. However, this helps to generate more revenue and utilisation of the plants.

2. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate internal control system. The financial statements prepared are in conformity with the established Accounting Standards and Principles. The regular internal audits are carried out to ensure that the systems are adequate. The internal audits are conducted by the Independent Auditors. The performance review of the internal audit system as well as the reporting system adopted in the Company give the required confidence to the management.

3. SUBSIDIARIES /ACQUISITION/JOINT VENTURE

The Company has merged its 70% owned subsidiary Company, Parul Chemicals Limited during the year. SD Agrichem (Europe) NV is the wholly owned overseas subsidiary of the Company. SD Agrichem Netherlands B.V. and Sintesis Quimica, S.A.I.C. are the wholly owned subsidiary companies of SD Agrichem(Europe) NV. SD Agrichem Netherlands B.V. further has a subsidiary named Agrichem B.V. which also has three subsidiaries and accordingly all these companies become subsidiary companies of Punjab Chemicals and Crop Protection Limited. The Company's list of subsidiary therefore, includes (i) STS Chemicals (UK) Ltd., (ii) SD AgChem (Europe) NV, (iii) Sintesis Quimica, Argentina, S.A.I.C. (iv) Agrichem B.V., Netherlands, (v) N.V. Agricultural Chemicals, (vi) Agrichem Helvetia GmbH, (vii) Agrichem, Polska., Poland and (viii) SD Agchem Netherlands, 1B.V., USA. Nedab APS, Denmark and Kapchem Ltd., Ireland were the joint ventures of the erstwhile 'Pegevo' and now known as Agrichem, B.V. and the same have also become the Joint Ventures of the Company.

4. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

The Company takes possible steps for upgrading the skills and competence of its human resources. The safety, training, welfare and development of employees receive all possible attention and are regarded as the highest priority. Industrial relations continue to be cordial and harmonious. The employee strength of the Company as on 31st March, 2011 was 1102.

5. FINANCIAL PERFORMANCE AND ANALYSIS

During the year under review, the net sales of the Company increased from Rs. 303 crores to Rs. 341 crores. The net loss decreased to Rs. 13 crores against Rs. 41 crores in the previous year, after adjusting certain expenses from Business Reconstruction Reserve Account. The exports increased by 36% to Rs. 146 crores against Rs. 107 crores 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 could differ materially from those expressed or implied due to the Company's operations including global and domestic, demand-supply conditions, finished goods prices, raw material cost and availability, changes in Government regulations and tax structure, economic development, crude oil prices, monsoon season, increase in logistics cost and other allied factors.

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

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company has set out the required practices of Corporate Governance keeping in view the size, complexity, global operations and its traditional ethical values. The accountability, integrity and responsibilities in dealings with employees, shareholders, consumers and community at large are of utmost importance for the Company. The Company believes to achieve the global standards of corporate conduct towards all stakeholders, which needs to be better managed and governed and to align its activities with national interest. The culture of transparency, new development capabilities and identifying opportunities for value creation has been embedded in each and every employee of the Company.

The Company has complied with the requirement of Corporate Governance in terms of Clause 49 of the Listing Agreement with the Stock Exchanges and the best practices are followed to achieve its goal of Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board of Directors comprises of one Managing Director, three Whole-time Directors and Seven Non-Executive Directors as on 31st March, 2011. The number of Independent Directors on the Board is five and all the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance Committee across all the companies in which he is a Director). The Company has obtained the requisite disclosures from the Directors in respect of their Directorship in other Companies and Membership in committees of other companies.

No other Director except Shri Shalil Shroff, Smt. Rupam Shroff and Capt. S.S. Chopra (Retd.) are related to each other.

The Composition of the Board of Directors, number of other Directorships/Memberships of committees in other companies and their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting are as under:

Sr. No	Name of Director	Category of Directorship	Board Meetings (April, 2010 to March, 2011)		Attendance in Last AGM held on 10.08.2010	No. of Other** Directorships in India	No. of other Board Committee positions held as at 31 st March, 2011***	
			Held	Attended			Chairman	Member
1	Shri G Narayana Chairman	Independent Non-Executive	4	4	Yes	3	Nil	1
2	Capt. S S Chopra (Retd.)	Non-Independent Non-Executive	4	4	Yes	Nil	Nil	Nil
3	Shri Shalil S Shroff Managing Director	Promoter Executive	4	4	Yes	2	Nil	Nil
4	Smt. Rupam Shroff Whole Time Director	Promoter Executive	4	2	No	2	Nil	Nil
5	Shri Vijay Rai	Independent Non-Executive	4	4	No	7	1	6
6.	Shri Atul G Shroff *	Promoter Non-Executive	4	1	Yes	5	2	1
7.	Shri MD Patel	Independent Non-Executive	4	4	Yes	7	1	4
8.	Shri Jagdish R Naik	Non-Independent Non-Executive	4	2	No	9	Nil	2
9.	Shri Jaiprakash H. Bhambhani	Independent Non-Executive	4	-	No	Nil	Nil	Nil
10.	Shri Avtar Singh Whole Time Director	Non-Independent, Executive	4	3	No	1	Nil	Nil
11.	Shri Ajit R Sanghvi	Independent Non-Executive	4	3	No	1	Nil	Nil
12.	Shri S.S. Tiwari Whole Time Director	Non-Independent, Executive	4	4	Yes	Nil	Nil	Nil

* Shri A.G. Shroff, ceased to be a Director of the Company w.e.f 11th February, 2011.

** Directorships in private companies, foreign companies and associations are excluded.

*** Includes membership of Audit and Shareholders/Investors' Grievance Committees only.


DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:

Date of Board Meeting	26 th May, 2010	9 th August, 2010	11 th November, 2010	11 th February, 2011
Board Strength	12	12	12	11
No. of Directors present	8	7	10	10

SHAREHOLDING OF THE DIRECTORS AS ON 31ST MARCH, 2011 WAS AS UNDER:

Name of the Director(s)	Shares Held (No.)	%to Total Capital
Shri G Narayana	0	0
Capt. S S Chopra	0	0
Shri Shalil S Shroff	3,80,581	5.29
Smt. Rupam Shroff S	1,83,291	2.55
Shri Vijay Rai	0	0
Shri A.G. Shroff*	4,300	0.06
Shri MD Patel	400	0.00
Shri Jagdish R Naik	0	0
Shri S.S. Tiwari	11,700	0.16
Shri Avtar Singh	7,911	0.11
Shri Ajit R. Sanghvi	24,928	0.35
Shri Jaiprakash H. Bhambhani	10,000	0.14
Total	623111	8.66

* Shri A. G. Shroff, ceased to be a Director of the Company w.e.f 11th February, 2011.

3. Particulars of the Directors seeking Appointment/Reappointment at the forthcoming Annual General Meeting

Name of the Director	Shri Ajit R Sanghvi
Date of Birth	04.03.1957
Date of Appointment	01.01.2006
Expertise in specific functional areas	Extensive experience in financial service industry & stock brokering.
Qualifications	M.Com, FCA
Other Public Companies in which Directorship held	Acrysil Limited
Other Public Companies in which membership of Committees of Directors held	Nil



Name of the Director	Shri M D Patel
Date of Birth	12.12.1949
Date of Appointment	19.02.1985
Expertise in specific functional areas	Vast experience in the field of Finance and Corporate Management.
Qualifications	Graduate in Chemical Engineering
Other Public Companies in which Directorship held	<ol style="list-style-type: none"> 1. Universal Esters Ltd. 2. Infinity Consultants Ltd. 3. Transpek Finance Ltd. 4. Shilchar Technologies Ltd. 5. Gujarat Automotive Gears Ltd. 6. Transpek Industry Ltd. 7. Banco Products (India) Ltd.
Other Public Companies in which membership of Committees of Directors held	<p>Audit Committee:</p> <ol style="list-style-type: none"> 1. Transpek Industry Ltd. 2. Shilchar Technologies Ltd. 3. Banco Products (India) Ltd. <p>Shareholders & Investors Grievance Committee:</p> <ol style="list-style-type: none"> 1. Transpek Industry Ltd. 2. Transpek Finance Ltd. 3. Shilchar Technologies Ltd. 4. Banco Products (India) Ltd.

4. AUDIT COMMITTEE:

Terms of Reference:

The role of Audit Committee is to supervise the Company's reporting process, disclosure of its financial information, recommendation for the appointment of Statutory Auditors, Internal Auditors, Cost Auditors, Tax Auditors and fixation of their remuneration, review internal control systems, scope of Audit including observations of the Auditors, accounting policies, practices and entries, compliances with Accounting Standards, Listing Agreement with the Stock Exchanges and other legal requirements concerning financials and related party transactions. In addition to above, the committee considers the financial and risk management policies, significant findings of the Auditors and follow-up thereon, review the Quarterly, Half Yearly and Annual Financial Statements before they are submitted to the Board of Directors. It also approves the appointment of Chief Financial Officer after assessing the qualification, experience and background etc. of the candidate.

The Company has complied with the requirements of Clause 49 (II) (A) as regards to the composition of the Audit Committee.

The Audit Committee of the Company consists of following Directors as on 31st March, 2011 and their attendance during the financial year 2010-11 is as follows:-

Sr.No.	Name of Director	Position	No. of Meetings held	No. of Meetings attended	Category
1	Shri M.D. Patel	Chairman	4	4	Non-Executive / Independent
2	Shri Jagdish R. Naik	Member	4	2	Non-Executive / Non-Independent
3	Shri Vijay Rai	Member	4	4	Non-Executive / Independent
4	Shri Ajit R. Sanghvi	Member	4	3	Non-Executive / Independent



The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company. During the period under review, four Audit Committee meetings were held on 26th May, 2010, 9th August, 2010, 11th November, 2010 and 11th February, 2011.

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) & Secretary of the Company acts as the Secretary of the Committee.

5. SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

Terms of Reference:

The Company has constituted Shareholders' & Investors' Grievances Committee to look into the investors' complaints, if any, and to redress the same expeditiously.

The Shareholders' & Investors' Grievances Committee of the Board of Directors of the Company consists of following Directors:

S.No.	Name of Director	Position	No. of Meetings Held	No. of Meetings Attended
1	Shri M.D. Patel	Chairman	4	4
2	Shri Shalil Shroff	Member	4	4
3	Shri. Vijay Rai	Member	4	4
4	Shri Avtar Singh	Member	4	3

During the year under review, four Shareholders' & Investors' Grievances Committee meetings were held on 26th May, 2010, 9th August, 2010, 11th November, 2010 and 11th February, 2011.

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

During the period under review, the Company received 36 complaints from Investors and the same has been replied /resolved. As on 31st March, 2011, no complaints from investors are pending.

The Board of Directors of the Company have delegated the power to transfer the shares by any one of Shri Shalil Shroff, Managing Director, or Shri Avtar Singh, Director (Operations & Business Development), or Shri Punit K Abrol, Sr. V P (Finance) & Secretary. During the year 2010-11, all transactions viz. share transfers, transmission, split/consolidation, duplicate share certificates, etc. were approved on a fortnightly basis by Shri Punit K. Abrol, Sr. V P (Finance) & Secretary.

6. REMUNERATION COMMITTEE:

Terms of reference:

The broad terms of reference of the Company's Remuneration Committee are to determine and recommend to the Board and the members of the Company, compensation payable to the Managing Director, Whole-time Directors and the persons related to the Directors and to determine and advise the Board for the payment of annual increments, commission and to recommend the policy for the retirement benefits.

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

S.No.	Name of Director	Position	Category
1	Shri Vijay Rai	Chairman	Independent/Non Executive
2	Shri M.D. Patel	Member	Independent/Non Executive
3	Shri Ajit Sanghvi	Member	Independent/Non Executive
4	Shri J.H. Bhambhani	Member	Independent/Non Executive

During the year under review, no Remuneration Committee Meeting was held.

Remuneration Policy

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 the 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 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 Remuneration Committee, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.
- b) The Non-Executive Directors are paid remuneration by way of commission and sitting fees. The Company pays sitting fees of Rs. 5000/- per meeting to its Non-Executive Directors for attending the meeting of the Board and other Committees of the Board. 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 309 (5) of the Companies Act, 1956) and in such proportion and manner as the Chairman may decide.

The Directors' remuneration and sitting fees paid/payable in respect of the Financial Year 2010-11, are given below:

Name of Director	Sitting fees for Board / Other Committee Meetings (Rs.)	Salaries and other perquisites (Rs)	Other Remuneration (Rs)	Commission (Rs)	Total (Rs)
Shri G Narayana	20,000	Nil	Nil	Nil	20,000
Capt. S S Chopra	20,000	Nil	Nil	Nil	20,000
Shri Vijay Rai	60,000	Nil	Nil	Nil	60,000
Shri AG Shroff*	5,000	Nil	Nil	Nil	5,000
Shri MD Patel	60,000	Nil	Nil	Nil	60,000
Shri Jagdish R Naik	20,000	Nil	Nil	Nil	20,000
Shri Jaiprakash H. Bhambhani	Nil	Nil	Nil	Nil	Nil
Shri Ajit R Sanghvi	30,000	Nil	Nil	Nil	30,000
Shri Shalil S Shroff	Nil	43,47,487	Nil	Nil	43,47,487
Smt. Rupam Shroff	Nil	32,39,410	Nil	Nil	32,39,410
Shri Avtar Singh	Nil	34,17,248	Nil	Nil	34,17,248
Shri S.S. Tiwari	Nil	39,61,900	Nil	Nil	39,61,900
Total	2,15,000	1,49,66,045	Nil	Nil	1,51,81,045

* Shri A.G. Shroff, ceased to be a Director of the Company w.e.f 11th February, 2011.

Notes:

1. The employment of Managing Director and Whole Time Directors is contractual for a period of three years and terminable by either party giving three months notice.
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 318 of the Companies Act, 1956.
3. There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.
4. No Commission was paid to the Directors during the years 2008-09, 2009-10 and 2010-11.



7. GENERAL MEETINGS

Location and Time of the last three Annual General Meetings

Year	Location	Day/Date	Time	No. of Special Resolutions
2007-08	Kisan Bhawan, Sector-35A, Chandigarh.	Friday 29 th August, 2008	3.30 P.M.	2
2008-09	PHD House, Sector-31, Chandigarh.	Friday 25 th September, 2009	10.30 A.M.	3
2009-10	PHD House, Sector-31, Chandigarh	Tuesday 10 th August, 2010	10.00 A.M.	Nil

Following Special Resolutions were passed at the aforesaid Meetings :

Sr. No.	Meeting Date	Section Reference	Regarding
1.	29.08.2008	198, 269, 309 and 311	Revision in Pay Scale of Shri Shalil Shroff, Managing Director.
2.	29.08.2008	-	To increase monthly payment of the Retirement benefit to Smt. Shaila S Shroff, wife of Late Shri S.D. Shroff.
3.	25.09.2009	198, 269, 309 and 311	Reappointment of Shri Shalil Shroff as the Managing Director of the Company and to fix his remuneration.
4.	25.09.2009	198, 269, 309 and 311	Reappointment of Shri S.S. Tiwari as the Whole-Time Director of the Company and to fix his remuneration.
5.	25.09.2009	198, 269, 309 and 311	Reappointment of Smt. Rupam Shroff as the Whole-Time Director of the Company and to fix her remuneration.
6.	10.08.2010	Nil	Nil

Postal Ballot:

No Special Resolution was required to be passed in the last year by way of Postal Ballot under the Companies (Passing of resolution by postal ballot) Rules, 2001

None of the Special Resolutions is proposed to be conducted through postal ballot during the year.

8. DISCLOSURES

a) Related Party Transactions:

Related Party Transactions under Clause 49 of the Listing agreement are defined as the transactions of the Company of a material nature with its promoters, Directors or the Management, their subsidiaries or relatives, etc that may have potential conflict with the interest of the Company at large.

All these contracts or arrangements are entered in the Register of Contracts under Section 301 of the Companies Act, 1956 and the Register is placed before the Audit Committee and the Board from time to time. There were no material transactions with related parties during the year 2010-11 that are prejudicial to the interest of the Company. Particulars of transactions between the Company and related parties as per the Accounting Standard (AS-18), "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given under Note no. 22 in Schedule T of Annual Accounts.

b) Accounting Treatment:

As explained in Note 19 of Schedule 'T' to the financial statements, the Company has revalued its assets comprising of Land and Building and the resultant surplus aggregating to Rs. 106.73 crores has been credited to Business Reconstruction Reserve Account (BRR), as per the sanctioned scheme of arrangement by the concerned High Courts. Further, an amount of Rs. 95.34 crores has been utilised from the BRR towards various expenses as considered necessary and appropriate by the Board of Directors of the Company. The Generally Accepted Indian Accounting Standards and Principles, however, do not provide for such adjustment of expenses against BRR.

c) Issue of new Equity shares:

The Board of Directors of the Company, in their meeting held on 11th May, 2011, have allotted 69,293 Equity shares of Rs. 10/- each fully paid up to the shareholders of the erstwhile Parul Chemicals Limited in the exchange ratio as approved in the scheme. The Company has also initiated the process of listing of these shares on the Stock Exchanges.



d) Statutory Compliance, Penalties and Strictures:

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to capital markets during the last three years. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities relating to the above.

e) Non-Mandatory Requirements:

The Company has complied with all the mandatory requirements and has adopted the following non-mandatory requirements:

- i) The Chairman of the Board is a Non Executive Director and the Company reimburses him the expenses incurred in performance of his duties.
- ii) The Remuneration Committee consists of three Non-Executive Directors and the Chairman of the Committee is an Independent Director.

9. MEANS OF COMMUNICATION

- a) The Company regularly intimates unaudited as well as audited quarterly and half-yearly financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in the Financial Express (all); Business Standard (all); Jan Satta and Amar Ujala, Chandigarh; and are also displayed on the website of the Company www.punjabchemicals.com. These results are also posted on www.corpfiling.com.
- b) Management Discussion and Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting:

Date and Time	:	7th September, 2011 at 11.30 AM
Venue	:	PHD House, Sector- 31, Chandigarh.
Financial Year	:	Year ending March 31, 2011.
Date of Book Closure	:	1st September, 2011 to 7th September, 2011
Dividend payment date	:	N.A
Listing on Stock Exchanges	:	The Company's shares are listed on: <ol style="list-style-type: none"> 1. Bombay Stock Exchange Limited (BSE) 2. National Stock Exchange of India Limited (NSE)

Stock Codes/Symbol (for shares):

Bombay Stock Exchange Limited (Code)	:	506618
National Stock Exchange of India Ltd. (symbol)	:	PUNJABCHEM
Demat ISIN Number in NSDL & CDSL	:	INE277B01014

b) Market Price Data:

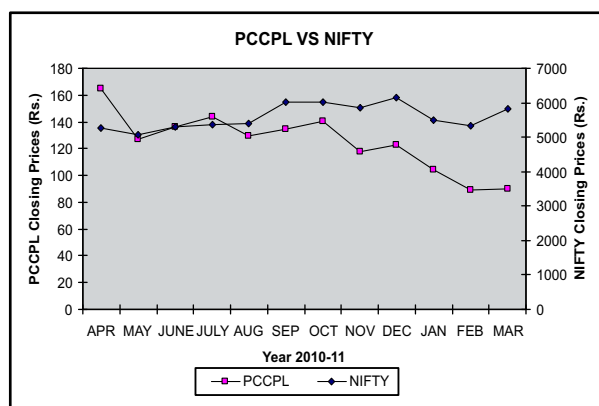
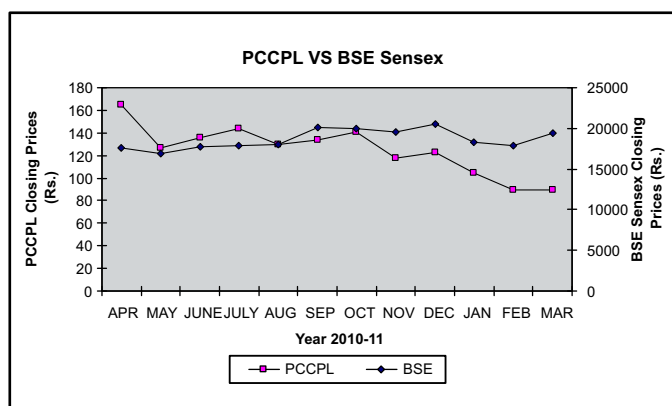
MONTH & YEAR	PCCPL BSE Price (Rs.)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
Apr-10	172.00	151.00	165.10	18047.86	17276.80	17558.71
May-10	166.50	112.15	126.90	17536.86	15960.15	16944.63
Jun-10	139.50	126.00	136.95	17919.62	16318.39	17700.90
Jul-10	164.80	134.00	143.90	18237.56	17395.58	17868.29
Aug-10	158.05	127.05	128.30	18475.27	17819.99	17971.12
Sep-10	153.70	123.00	135.25	20267.98	18027.12	20069.12
Oct-10	148.50	130.00	139.85	20854.55	19768.96	20032.34
Nov-10	144.95	110.10	117.45	21108.64	18954.82	19521.25
Dec-10	132.90	103.00	121.90	20552.03	19074.57	20509.09
Jan-11	123.90	104.00	104.45	20664.80	18038.48	18327.76
Feb-11	110.30	88.45	92.30	18690.97	17295.62	17823.40
Mar-11	96.00	86.20	89.15	19575.16	17792.17	19445.22



MONTH & YEAR	PCCPL NSE Price (Rs.)			NIFTY (Rs.)		
	High	Low	Month Close	High	Low	Month Close
Apr-10	171.45	155.05	165.10	5399.65	5160.90	5278.00
May-10	166.00	112.00	126.80	5278.70	4786.45	5086.30
Jun-10	139.00	125.45	135.90	5366.75	4961.05	5312.50
Jul-10	160.40	133.00	143.85	5477.50	5225.60	5367.60
Aug-10	158.90	128.00	129.65	5549.80	5348.90	5402.40
Sep-10	153.60	124.10	134.20	6073.50	5403.05	6029.95
Oct-10	148.40	130.50	140.35	6284.10	5937.10	6017.70
Nov-10	144.00	108.50	117.85	6338.50	5690.35	5862.70
Dec-10	132.80	102.15	122.95	6147.30	5721.15	6134.50
Jan-11	126.50	97.40	104.25	6181.05	5416.65	5505.90
Feb-11	114.00	85.60	89.55	5599.25	5177.70	5333.25
Mar-11	94.95	85.00	90.00	5872.00	5348.20	5833.75

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 2010-11:



d) Registrar and Share Transfer Agent (RTA):

The Registrar and Share Transfer Agent of the Company is M/s Alankit Assignments Ltd., 2E/21, Anarkali Market, Jhandewalan Extension, New-Delhi- 110 055.

e) Share Transfer System:

RTA processes the share transfer/ transmission requests on a fortnightly basis (usually on 15th/ 16th and 30th/31st of every month) 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 fortnight and returned within a period of 30 days from the date of receipt, if the documents are in order in all respects. There are no share transfers pending as on 31st March, 2011.

As required under clause 47 (c) of the Listing Agreement, a Certificate from 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 from Practicing Company Secretary.

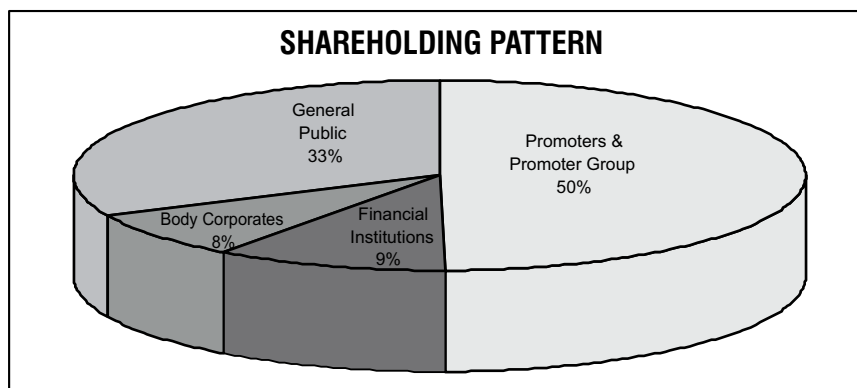


f) Distribution of Shareholding as on 31st March, 2011

FROM-TO	NO. OF SHAREHOLDERS		NO. OF SHARES		DEMAT HOLDING	
Number of Shares	Number	%	Number	%	Number	%
1-500	31111	97.33	1013816	14.10	776977	10.80
501-1000	448	1.40	339095	4.71	299066	4.16
1001-2000	196	0.62	281610	3.92	246402	3.43
2001-3000	68	0.21	169580	2.36	157867	2.19
3001-4000	33	0.10	113113	1.57	95128	1.32
4001-5000	17	0.05	77991	1.08	68304	0.95
5001-10000	48	0.15	343626	4.78	330970	4.60
Above 10000	45	0.14	4854061	67.48	4771906	66.34
TOTAL	31966	100.00	7192892	100.00	6746620	93.79

• Categories of Shareholders as on 31st March, 2011

SR. No	CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING (%)
A.	Shareholding of Promoter and Promoter Group		
(1)	Indian	3585462	49.85
(2)	Foreign	2500	0.03
	Total Shareholding of Promoter and Promoter Group	3587962	49.88
B.	Public Shareholding		
1	Institution		
(a)	Mutual Funds & UTI	6979	0.10
(b)	Financial Institutions/Banks	1079	0.01
(c)	Central Govt./State Govt.Co.	122027	1.70
(d)	Insurance Company	464910	6.46
(e)	FIs	25913	0.36
	Sub Total (B) (1)	620908	8.63
2	Non-Institutions		
(a)	Private Corporate Bodies	601171	8.36
(b)	Indian Public	2367339	32.91
(c)	NRIs	15512	0.22
	Sub Total (B) (2)	2984022	41.49
	Total Public Shareholding (B)(1) + (B)(2)	3604930	50.12
	TOTAL	7192892	100.00



g) Dematerialization of shares and liquidity:

6746620 shares i.e. 93.79 % of the Company's share capital is held in dematerialised form as on 31st March, 2011. The Company's shares are regularly traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

h) 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, except relating to dividends which should be addressed to the Company, investors may communicate with Registrar & Share Transfer Agent at the following address:

Alankit Assignment Ltd,	Tel: 011-42541234
2E/21, Anarkali Market,	011-23541234
Jhandewalan Extension,	Fax: 011-23552001
New Delhi-110055,	E-mail: info@alankit.com

- b. Shareholders holding shares in demat form, should address all correspondence to their respective depository participants.
- c. 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 demat form, for availing the same facility.

i) 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
Industrial Chemical Division – Unit Excel Phospho Chem Excel PhosphoChem Site No. I & II, H.A. Ltd., Compound Pimpri, Pune-400 018. Ph.: 020-27425647-9 Fax: 020-27425652	Industrial Chemicals Division – Tarapur E-51, MID C Industrial Area Tarapur, Boisar, Distt. Thane. Ph.: 02525-274664-65 Fax: 02525-272590
Sulphur Formulation Division D-2, MID C, Lote Parshuram, Chiplun Taluka: Khed, Dist.: Ratnagiri, Pin Code : 415722, Maharashtra Email: rajeshtiwari@punjabchemicals.com Phone: 02356-272240-47 Fax: 02356-272341	Agro Formulation Division, Vadodara 801, B-Tower, Alkapuri Arcader, R.C. Dutt Road, Vadodara, Gujarat-390 005. Tel.: 0265-2353990, 2333896 Fax: 0265-2840227 Email: parulnandesari@gmail.com



j) Address for Correspondence:

Registered Office S.C.O.417-418, Sector 35 C, Chandigarh-160022 Ph.:0172-2600955, 2603120 Fax:0172-2603621 Email: info@punjabchemicals.com	Corporate Office Plot No. 645-46, 4 th /5 th 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	Delhi Office 1012, Ansal Bhawan, Kasturba Gandhi Marg, New Delhi-110 001. Ph.:011-23314867, 23312406. Fax:011-23314890. Email: rs@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	Formulation Office 307, Kil Fire House, C-17, Dalia Industrial Area, New Link Road, Andheri(W), Mumbai-400 053. Cell: +91-98670 24995 Ph.: +91-22-2674 4304/05 Direct: 2674 4329 Fax: +91-22-2674 4328 Email: enquiry.formulations@punjabchemicals.com	Sulphur Formulation Division D-2, Phase-II, MID C, Lote Parshuram, Chiplun, Taluka- Khed, Dist.: Ratnagiri, State: Maharashtra-415 722 Phone : 02356-272247 / 272710 Fax : 02356-272341	Agro Formulation Division, Vadodara 801, B-Tower, Alkapuri Arcader R.C. Dutt Road, Vadodara, Gujarat - 390 005 Tel.:0265-2353990, 2333896 Fax: 0265-2840227 Email: parulnandesari@gmail.com

k) Group Companies:

Sintesis Quimica S.A.I.C Scalabrini Ortiz 3333, 2nd Floor, Buenos 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	Agrichem Helvetia GmbH, Alpenastrasse 15, 6304 ZUG, Switzerland	SD AgChem Netherlands I B.V, Koopvaardijweg 9, 4906JA, Oosterhout, Netherlands
AgriChem B.V. Koopvaardijweg 9 4906 CV Oosterhout The Netherlands Tel: +31 162431931 Fax: +31 162456797 info@agrlichem.com www.agrlichem.com	N.V Agricultural Chemicals, Mons, Eestermansstraat 23, 2328 Meerle, Belgium PSD Chemicals LLC 10039 E. Troon North Drive, Scottsdale, AZ 85262.	STS Chemicals (UK) Ltd. 14 Pollard Way, Gomersal, Cleckheaton, West Yorkshire. BD 19 4PR	AgriChem Polska, Poland 02-697 Warszawa ul. Rzymowskiego 53

11. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares held in dematerialised form (with NSDL and CSDL) and total number of shares held in physical form.

12. CEO/CFO CERTIFICATION

In terms of Clause 49(V) of the listing agreement, the Certificate duly signed by Shri Shalil 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 31st March, 2011 at its meeting held on 30th May, 2011.

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

The Board of Directors of the Company has laid down Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the website of the Company i.e www.punjabchemicals.com. All Board Members and Senior Management have affirmed their compliance with the Code for the financial year ended 31st March, 2011. A declaration to this effect signed by Shri Shalil Shroff, Managing Director of the Company, also forms part of this report.



COMPLIANCE CERTIFICATE FROM AUDITORS'

TO THE MEMBERS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined the compliance of conditions of corporate governance by Punjab Chemicals and Crop Protection Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

Place: Chandigarh
Date: May 30, 2011

S.K. Sharma
For S.K. Sharma & Associates
Company Secretaries
CP No. - 3864

DECLARATION UNDER CLAUSE 49 I(D)

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 Punjab Chemicals & Crop Protection Limited

Place : Mumbai
Date : May 30, 2011

Shalil Shroff
Managing Director

CERTIFICATE

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

I, Shalil 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 31st March, 2011 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 during the year 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.

Place : Mumbai
Date : May 30, 2011

Shalil Shroff
Managing Director

Vipul Joshi
Chief Financial Officer



AUDITORS' REPORT

TO

**THE MEMBERS OF
PUNJAB CHEMICALS AND CROP PROTECTION LIMITED**

1. We have audited the attached Balance Sheet of Punjab Chemicals and Crop Protection Limited as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. We are of the opinion that the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with para vi below;
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. Without qualifying our audit report, we draw attention to Note 19 of Schedule T to the financial statement. As per Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Courts of Punjab & Haryana at Chandigarh and High Courts of Gujarat at Ahmedabad vide orders dated March 11, 2011 and March 23, 2011 respectively, the company has been allowed to create Business Reconstruction Reserve by revaluation of Fixed Assets for adjusting certain expenses as defined in the scheme. Accordingly, expenses amounting to Rs. 9,534 lacs have been adjusted against the Business Reconstruction Reserve;
 - vii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.

Firm registration number: 301003E
Chartered Accountants

Per **Ravi Bansal**
Partner
Membership No.: 49365

Place: Mumbai
Date: May 30, 2011



ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 3 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 & equipment for certain location where item wise particulars in the 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. As informed, material discrepancies were identified on such verification. These have been properly dealt with in the books of accounts.
- (c) There was no substantial disposal of fixed assets during the year.
- (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) The Company has granted unsecured loan/advance to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of loan/advances granted to such party is Rs. 40 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan/advance are not prima facie prejudicial to the interest of the Company.
- (c) The loan/advance granted and the interest is re-payable on demand. As informed, the company has not demanded repayment of any such loan/advance and interest during the year, thus, there has been no default on the part of the parties to whom the money has been lent.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken loans from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 557 lacs and the year-end balance of loans taken from such party was Rs. 557 lacs. Further, the Company has taken fixed deposits from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of the said fixed deposits was Rs. 29 lacs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans and fixed deposits are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans and fixed deposits taken, repayment of the principal amount is as stipulated and payments of interest have been regular.
- (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, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time except in respect of certain transactions of purchases and sale of goods and services, where because of the unique and specialized nature of the items involved and in absence of any comparable prices, we are unable to comment whether the transactions were made at the prevailing market prices at the relevant time.
- (vi) 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 sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 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.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty have not been regularly deposited with the appropriate authorities and there have been serious



delays in large number of cases. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of Income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dispute	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act	Modvat taken on sale in transit, recovery of cervat credit/cess, Excise duty on job-work.	328	2005-06	Deputy Commissioner Central Excise, Commissioner and CESTAT
The Punjab Sales Tax Act	Improper Documents	11	2004-05	Entry Tax Officer, Shambhu Barrier

- (x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth and *it has incurred cash losses in the current year and in the immediately preceding financial year.*
- (xi) On the basis of audit procedures performed by us, and according to the information, explanation and representations given to us by the management, *the Company had delayed in certain repayments of dues (including interest) to financial institutions and banks. The delayed principal amount and the interest excluding dues covered by restructured agreement aggregates to Rs. 1,231 lacs and Rs. 2,416 lacs respectively, and delays range from 1 day to 243 days. Further, during the year, the company has restructured loan arrangement with financial institutions and bank whereby dues have been rescheduled.*
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiary companies from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet and cash flow statement of the Company, *we report that the Company has used funds raised on short-term basis amounting, Rs. 8,241 lacs for long-term purposes. The Company has utilised such short-term loans from banks towards purchase of fixed assets and funding of operating losses.*
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) 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 course of our audit.

For S. R. Batliboi & Co.

Firm registration number: 301003E

Chartered Accountants

Per **Ravi Bansal**

Partner

Membership No.: 49365

Place: Mumbai

Date: May 30, 2011



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in lacs)

Particulars	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	719	719
Equity Share Suspense Account (Refer Note No. 19 (A) (f) of Schedule T)		7	-
Reserves and Surplus	B	6,384	6,821
		7,110	7,540
Loan Funds			
Secured Loans	C	31,705	29,864
Unsecured Loans	D	1,616	2,468
		33,321	32,332
TOTAL		40,431	39,872
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		36,174	24,703
Less : Accumulated Depreciation/Amortisation		11,358	10,000
Net Block		24,816	14,703
Capital Work-in-Progress including Capital Advances		940	1,104
		25,756	15,807
Investments	F	3,891	4,521
Current Assets, Loans and Advances			
Inventories	G	5,317	6,980
Sundry Debtors	H	12,006	13,543
Cash and Bank Balances	I	979	2,068
Other Current Assets	J	296	560
Loans and Advances	K	4,725	7,764
		23,323	30,915
Less : Current Liabilities and Provisions			
Current Liabilities	L	11,758	10,675
Provision	M	781	696
		12,539	11,371
Net Current Assets		10,784	19,544
TOTAL		40,431	39,872
Notes to Accounts	T		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For **S.R. BATLIBOI & CO.**
Firm registration number: 301003E
Chartered Accountants

per **RAVI BANSAL**
Partner
Membership No. 49365
Mumbai
May 30, 2011

For and on behalf of the Board of Directors

G. NARAYANA
Chairman

PUNIT K. ABROL
Sr. Vice President (Finance) &
Company Secretary
Mumbai
May 30, 2011

SHALIL SHROFF
Managing Director

VIPUL JOSHI
Chief Financial Officer

S.S. TIWARI
Whole Time Director



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

			(Rs. in lacs)
Particulars	Schedule	Current Year	Previous Year
INCOME			
Sale of Products (Gross)		36,118	31,683
Less : Excise Duty (Refer Note No.25 of Schedule T)		1,969	1,415
Sale of Products (Net)		34,149	30,268
Other Income from Operation	N	1,590	1,322
Other Income	O	1,117	883
Exceptional Income (Refer Note No. 3 of Schedule T)		619	-
		37,475	32,473
EXPENDITURE			
Materials	P	23,351	21,045
Personnel Expenses	Q	1,802	3,250
Operating and Other Expenses	R	10,006	8,185
Depreciation / Amortisation	E	694	1,059
Interest and Other Financial Costs	S	2,976	4,434
		38,829	37,973
PROFIT/(LOSS) BEFORE TAXATION		(1,354)	(5,500)
Less: Provision for Taxation :			
Current		-	-
Deferred (Refer Note No.26 in Schedule T)		-	(1,457)
		-	(1,457)
Excess / (Short) Provision for Taxation for earlier years		1	(69)
NET PROFIT/(LOSS)		(1,353)	(4,112)
Post Merger loss of Parul Chemical Limited for the year ended March 31, 2010 (Refer note no. 19 (A) (d) in Schedule T)		(28)	-
Balance as per last Balance Sheet		-	1,226
Balance Carried to Balance Sheet		(1,381)	(2,886)
Earning Per Share (Rs.)			
Basic & Diluted		(18.64)	(58.95)
(Refer Note No. 18 in Schedule T)			
Face Value Per Share (Rs.)		10	10
Notes to Accounts	T		

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Accounts.

As per our report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & CO.**
 Firm registration number: 301003E
Chartered Accountants

G. NARAYANA
Chairman

SHALIL SHROFF
Managing Director

S.S. TIWARI
Whole Time Director

per RAVI BANSAL
Partner
 Membership No. 49365
 Mumbai
 May 30, 2011

PUNIT K. ABROL
*Sr. Vice President (Finance) &
 Company Secretary*
 Mumbai
 May 30, 2011

VIPUL JOSHI
Chief Financial Officer



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	(Rs. in lacs)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Cash flow from operating activities		
Net Profit/(Loss) before taxation	(1,354)	(5,500)
Adjustments for :		
Expenses adjusted with Business Reconstruction Reserve	(9,534)	-
Depreciation/Amortisation	1,656	1,059
Unrealised foreign exchange Loss/(Gain)	(240)	805
Interest Income	(365)	(609)
Dividend Income	(22)	(17)
Income in respect of Government/Other Grants	(4)	(4)
Interest and Other Financial Costs	5,545	3,989
Loss/(Profit) on sale of Fixed Assets	(235)	-
Loss/(Profit) on sale of Investments	(299)	-
Capital project written off	2,050	-
Bad Debts written off	1,754	234
Provision for Doubtful Advances	1,122	-
Provision for Doubtful Debts	1,547	256
Operating Profit before working capital changes	1,621	213
Movement in Working Capital		
Decrease/(Increase) in Sundry Debtors	(1,067)	3,415
Decrease/(Increase) in Inventories	1,919	588
Decrease/(Increase) in Other current assets	221	(144)
Decrease/(Increase) in Loans and advances	331	(3,670)
Increase/(Decrease) in Current liabilities	743	(473)
Increase/(Decrease) in provisions	48	178
Cash generated/(used) from/in operations	3,816	107
Direct Taxes paid (Net)	29	258
Net cash generated/(used) from/in Operating Activities (A)	3,787	(151)
Cash Flow from Investment activities		
Purchase of Assets	(1,072)	(2,241)
Proceeds from sale of fixed assets	451	206
Purchase of Investments	-	(509)
Sale of Investments	666	-
Fixed Deposit (with maturity more than three months)	307	(29)
Interest received	101	58
Dividend received	22	17
Net Cash generated/(used) from/in Investing Activities (B)	475	(2,498)
Cash flow from financial activities		
Proceeds from Conversion of Equity Convertible Warrants to Equity	-	735
Proceeds from borrowings	3,599	13,235
Repayment of borrowings	(3,544)	(6,357)
Interest Paid	(5,118)	(3,919)
Dividend & Tax on distributed Profits	-	(114)
Net cash generated/(used) from/in Financing Activities (C)	(5,063)	3,580
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(801)	931
Cash and cash equivalents at the beginning of the year	1,497	566



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in lacs)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Add: Cash and cash equivalents of Parul Chemicals Limited	19	-
	1,516	566
Cash and cash equivalents at the end of the year	715	1,497
Components of Cash & Cash Equivalents		
Cash & Cheques on Hand	7	9
With Banks		
a) on current account	675	1,453
b) on deposit account	264	571
c) unclaimed dividend accounts*	25	27
d) In Unclaimed Fractional Shares Accounts*	8	8
	979	2,068
Less: Fixed deposit not considered as cash & cash equivalents	(264)	(571)
Net Cash & Cash Equivalents as per AS 3	715	1,497

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

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 issued by the Institute of Chartered Accountants of India.

As per our report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & CO.****G. NARAYANA****SHALIL SHROFF****S.S. TIWARI**

Firm registration number: 301003E

Chairman

Managing Director

Whole Time Director

Chartered Accountants

per **RAVI BANSAL****PUNIT K. ABROL****VIPUL JOSHI**

Partner

Sr. Vice President (Finance) &
Company Secretary

Chief Financial Officer

Membership No. 49365

Mumbai

Mumbai

May 30, 2011

May 30, 2011

SCHEDULES "A to T" FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE "A"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
SHARE CAPITAL		
AUTHORISED:		
1,78,00,000 (Previous Year : 1,48,00,000) Equity Shares of Rs.10/- each	1,780	1,480
20,000 (Previous Year : 20,000) 9.8 percent Redeemable Cumulative Preference Shares of Rs.100/- each. (Refer Note No. 19 (A) (g) of Schedule T)	20	20
	1,800	1,500
ISSUED:		
72,07,925 (Previous Year : 72,07,925) Equity Shares of Rs.10/- each.	721	721
SUBSCRIBED AND PAID UP :		
71,92,892 (Previous Year : 71,92,892) Equity Shares of Rs.10/- each fully paid-up	719	719
Of the above shares:		
1) 21,55,662 (Previous Year : 21,55,662) Equity Shares of Rs. 10/- have been allotted as fully paid up by way of Bonus Shares out of General Reserve.		
2) 22,81,568 (Previous Year : 22,81,568) Equity shares of Rs.10/- each fully paid-up have been allotted pursuant to a Scheme of Arrangement, without payments being received in cash.		
TOTAL	719	719



SCHEDULE "B"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
RESERVE AND SURPLUS		
CAPITAL RESERVE		
Balance as per last Balance Sheet	309	185
Add : Equity Convertible Warrants forfeited	-	124
	309	309
CAPITAL SUBSIDY FROM STATE GOVERNMENT	35	35
SECURITIES PREMIUM ACOCUNT		
Balance as per last Balance Sheet	1,072	316
Add: Conversion of Preferential Equity Convertible Warrants to Equity	-	756
Add: Adjustment pursuant to scheme of Arrangement (Refer Note No. 19 (A) (f) of Schedule T)	107	
Add: Adjustment pursuant to scheme of Arrangement (Refer Note No. 19 (A) (a) of Schedule T)	28	-
	1,207	1,072
GOVERNMENT GRANT		
Balance as per last Balance Sheet	29	31
Less : Grant recognised in the Profit and Loss Account	2	2
	27	29
DEVELOPMENT AID GRANT UNIDO		
Balance as per last Balance Sheet	33	35
Less : Grant recognised in the Profit and Loss Account	2	2
	31	33
CAPITAL REDUCTION RESERVE		
Add: Reserve of Parul Chemical Limited (PCL) pursuant to scheme of Arrangement (Refer Note No.19 (A) (a) of Schedule T)	21	-
AMALGAMATION RESERVE		
Add: Reserve of PCL pursuant to scheme of Arrangement (Refer Note No.19 (A) (a) of Schedule T)	19	-
CAPITAL REDEMPTION RESERVE		
Add: Reserve of PCL pursuant to scheme of Arrangement (Refer Note No.19 (A) (a) of Schedule T)	28	-
BUSINESS RECONSTRUCTION RESERVE (Refer Note No. 19 (B) of Schedule T)		
Revaluation of Land and Building	10,673	-
Less: Expenses as per the scheme adjusted against BRR (Refer Note No.19 (B) of Schedule T)	9,534	-
	1,139	-
GENERAL RESERVE		
Balance as per last Balance Sheet	5,343	8,229
Add: Reserve of Parul Chemical Limited (PCL) pursuant to scheme of Arrangement (Refer Note No.19 (A) (a) of Schedule T)	55	-
Less: Accumulated losses of PCL till March 31, 2009 pursuant to scheme of Arrangement (Refer Note No. 19 (A) (a) of Schedule T)	(222)	-
Less: Investment in PCL (Refer Note No. 19 (A) (c) of Schedule T)	(278)	-
Add: Excess of net assets taken over consideration paid pursuant to scheme of Arrangement (Refer Note No.19 (A) (e) of Schedule T)	51	-
Less : Balance in Profit and Loss Account	(1,381)	(2,886)
	3,568	5,343
TOTAL	6,384	6,821

SCHEDULE "C"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
SECURED LOANS		
FROM BANKS		
On Term Loan Accounts (Refer Note No. 1 to 5, 7 below)	12,321	6,733
Interest Accrued and due on Term Loans	302	6



On Cash Credit and Working Capital Demand Loan Accounts (Refer Note No. 6 to 11 below)	18,650	22,745
Interest Accrued and due on Cash Credit	175	-
Under Vehicle Finance Scheme (Refer Note No. 12 below)	18	56
Under Housing Finance Scheme (Refer Note No. 17 below)	83	98
	31,549	29,638
FROM OTHERS		
Under Housing Finance Scheme (Refer Note No. 13 below)	38	46
Under Vehicle Finance Scheme (Refer Note No. 14 & 15 below)	64	106
Finance Lease Obligation (Refer Note No. 24 Of Schedule T) (Refer Note No. 16 below)	54	74
TOTAL	31,705	29,864

Notes :

- Under restructuring arrangement with the Allahabad Bank cash credit of Rs 5,000 lacs has been converted into Term Loan of Rs. 5,000 Lacs (Previous Year: Rs. 5003 as a Cash credit facility) and is secured by way of first pari passu charge on the fixed assets (Except Pharmaceutical division) and second pari passu charge on the current assets of the company.
- Term Loan from Export - Import Bank of India amounting to Rs. 2,067 lacs (Previous Year : Rs.2,325 lacs) is secured by first pari passu charge on the entire fixed assets of the Company both present and future, second pari passu charge on current assets of the company, Corporate guarantee from S D Agchem, Belgium, personal guarantees by two directors, and by pledge of promoter's share in the name of Mr Shalil Shroff held in the Company which is in the process of execution.
- Further, under restructuring arrangement with Export - Import Bank of India, cash credit of Rs. 1,578 lacs (Previous year Rs. 1,578 lacs as cash credit) has been converted into working capital long term loan. The same is secured by first pari passu charge on the entire fixed assets of the Company both present and future, second pari passu charge on current assets of the company both current and future, personal guarantees by two directors, and by pledge of promoter's share in the name of Mr Shalil Shroff held in the Company which is in the process of execution.
- Under restructuring arrangement with Central Bank of India Short Term Loan is converted into Medium Term Loan amounting to Rs.2,473 lacs (Previous Year : 2,500 lacs) and is secured by way of collateral first pari passu charge on fixed assets of the company and second pari passu charge on the current assets of the Company and also by personal guarantees of one of the director.
- Under restructuring arrangement with ICICI Bank Limited, Short Term Loan is converted into Medium Term Loan amounting to Rs.1,147 lacs (Previous Year: 1,299 lacs) and is secured by subservient charge on fixed assets and current assets of the Company.
- The company has entered into an consortium agreement with State Bank of India (SBI) as lead bank, EXIM Bank, Bank of Baroda and Union Bank of India for cash credit and working capital demand loan. Under consortium agreement, cash credit and working capital facilities are secured by way of Hypothecation of entire Current Assets present & future on a pari passu basis with other members of the Consortium and collateral second charge on the movable fixed assets situated at Derabassi and Lalru in the state of Punjab, MIDC-Tarapur, Pimpri-Pune, Lote Parshuram-Chiplun in the state of Maharashtra.
- Credit limits of Rs. 6,973 lacs (Previous Year : Rs.4,923 lacs) with State Bank of India are secured under above consortium agreement. Further, under restructuring, SBI has taken over term loan of Rs 609 lacs availed from HDFC Bank Ltd and AXIS Bank and converted into working capital demand loan. Also Term loan of Rs. 56 lacs (Previous year Rs Nil) from SBI is secured under above consortium agreement.
- Under restructuring arrangement with Union Bank of India, Cash credit has been converted into Cash credit and working capital demand loan of Rs. 1,652 lacs (Previous Year : Rs. 2,473 lacs) and Rs. 892 lacs (Previous year : Rs. Nil) respectively and is secured by security provided under consortium agreement as mentioned above in addition to specific charge for working capital demand loan on Pharma division located in Lalru.
- Under restructuring arrangement with Export-Import Bank of India Cash credit has been converted into Cash credit and working capital demand loan of Rs.1,450 lacs (Previous Year : Rs. 1,450 lacs) and is secured by personal guarantees of two directors, and by pledge of promoter's share in the name of Mr Shalil Shroff held in the Company which is in the process of execution, in addition to security provided under consortium agreement as mentioned above.
- Under restructuring arrangement with Bank of Baroda packing credit has been converted into working capital demand loan of Rs. 2,705 lacs (Previous year Rs 3,053 lacs as packing credit) and is secured by way of first charge on Pharma division located in Lalru and second charge on stock, book debts and fixed assets of the company in addition to security given under consortium agreement. Further, Cash credit of Rs. 4,630 lacs (previous year Rs. 4,265 lacs) is secured by security given under consortium agreement.
- Cash credit from Indian Overseas Bank of Rs. 348 lacs (Previous Year Rs. Nil) is secured by Hypothecation of plant and machineries, stock and book debts and pledge of factory building and office premises of Parul Division in Vadodara.
- Loans from HDFC Bank Limited under Vehicle Finance Schemes amounting to Rs. 18 lacs (Previous Year : Rs. 56 lacs) are secured by a exclusive charge by way of hypothecation of vehicles under the said Schemes.
- Loan from Housing Development Finance Corporation Limited for Rs.38 lacs (Previous Year : Rs.46 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.
- Loan from Kotak Mahindra Prime Ltd under Vehicle Finance Scheme amounting to Rs. 63 lacs (Previous Year : 103 lacs) is secured by a exclusive charge by way of hypothecation of vehicle under said Scheme.
- Loan from TATA Capital Limited under Vehicle Finance Scheme amounting to Rs.1 lacs (Previous Year :Rs. 3 lacs) is secured by exclusive charge by way of hypothecation of vehicles purchased under the said Scheme.
- The finance lease obligation of Rs.54 lacs (Previous Year : Rs.74 lacs) is secured by the plant and machinery taken under said lease.
- Housing Loan from ICICI Bank Ltd amounting to Rs. 83 lacs (Previous Year : Rs. 98 lacs) is secured by a first charge by way of mortgage of residential flat situated at Mumbai.



SCHEDULE "D"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
UNSECURED LOANS		
Fixed Deposits [Amount repayable within one year: Rs. 336 lacs (Previous Year: Rs.218 lacs)]	590	481
Inter-corporate Deposits [Amount due within one year Rs.963 Lacs (Previous Year: Rs. 1,919 lacs)]	963	1,919
Short Term Loan from Banks	-	26
Loan from Others [Amount due within one year Rs. NIL (Previous Year: Rs.NIL)]	10	10
Interest Accrued And Due	49	27
Loan from Housing Development Finance Corporation Limited. (Guaranteed by the Director of the Company) (Refer Note no.6 of the Schedule T) [Amount repayable within one year: Rs. 1 lac (Previous Year: Rs.1 lac)]	4	5
TOTAL	1,616	2,468



SCHEDULE "E"
FIXED ASSETS

(Rs. in lacs)

Description of Assets	GROSS BLOCK (COST OR VALUATION)					DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April 2010	On Amalgamation (Note 1)	Revaluation (Note 1)	Adjustment/ Additions during the year	Adjustment/ Deductions during the year	As at 31st March 2011	On Amalgamation (Note 1)	For the year (Note 3)	Adjustment/ Deductions during the year	As at 31st March 2011	As at 31st March 2010
Tangible Assets											
Freehold Land	130	-	5,265	-	-	5,395	-	-	-	5,395	130
Leasehold Land	41	2	595	296	-	934	0	23	-	910	40
Buildings (Note 4 & 9)	4,603	149	4,813	361	210	9,716	39	627	6	1,678	3,585
Plant & Machinery (Note 5, 9 & 10)	15,909	229	-	561	817	15,882	142	643	512	8,023	8,323
Electric Installations (Note 9)	451	-	-	8	6	453	-	15	1	245	220
Furniture, Fixture & Equipments	724	56	-	21	9	792	43	39	9	646	151
Vehicles	613	29	-	1	19	624	17	54	11	474	199
Intangible Assets											
Computer Software (Note 6)	83	-	-	-	-	83	-	4	-	82	5
Computer License (Note 7)	10	-	-	65	-	75	-	33	-	42	1
Product Registration (Note 8)	2,038	-	-	81	-	2,119	-	212	-	275	1,975
Assets Taken on Lease (Note 2)											
Plant & Machinery	78	-	-	-	-	78	-	4	-	10	72
Furniture, Fixture & Equipments	4	-	-	-	-	4	-	2	-	4	2
Computer License	19	-	-	-	-	19	-	-	-	19	-
Total	24,703	465	10,673	1,394	1,061	36,174	241	1,656	539	11,358	14,703
Capital Work in Progress (Including Capital Advances)											
Less: Adjusted with Business Reconstruction Reserve (Note 1 and 3)								962			
Net Capital Work in Progress (Including Capital Advances)											
Total								694			
Previous Year	19,732	-	-	5,338	367	24,703	-	1,059	161	10,000	15,807

Notes:

- Refer Note No. 19 of Schedule "I".
- Refer Note No. 24 of Schedule "I".
- Depreciation for the year includes depreciation on revaluation part of building of Rs. 303 lacs and Rs. 180 lacs for the year ended March 31, 2010 and March 31, 2011 respectively and on revaluation part of leasehold land Rs. 8 lacs each for the year ended March 31, 2010 and March 31, 2011. This has been adjusted with business reconstruction reserve.
 - Includes Rs. 1,054 lacs [Revalued] (Previous Year : Rs. 210 lacs) worth of building given on operating lease.
 - Building include investment representing ownership of Office Premises and Residential Flats in Co-operative Societies.
 - Refer Note no. 5 of Schedule T)
- Includes Rs. 82 lacs (Previous Year Rs. 82 lacs) worth of Plant and Machinery acquired under UNIDO Grant Scheme.
 - Remaining period of amortisation ranges from 2 to 12 months.
 - Remaining period of amortisation is 12 months.
 - Product Registration includes testing and data access and other product registration related expenses.
 - Remaining period of amortisation ranges 85 from to 119 months.
 - Plant & Machinery having gross block of Rs. 126 lacs & accumulated depreciation of Rs. 13 lacs and Electrical Installation having gross block of Rs. 7 and accumulated depreciation of Rs. 2 lacs has been reclassified to buildings.
 - Refer Note No. 8 of Schedule "I".



SCHEDULE "F"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
INVESTMENTS		
LONG TERM INVESTMENTS (At Cost)		
IN SHARES (Other Than Trade)		
Quoted:		
Nil (Previous Year : 17,441) Equity Shares of Rs.10/- each fully paid-up in Bank of Baroda	-	17
1,700 (Previous Year : 1,700) Shares of Rs.10/- each fully paid up in Dena Bank Limited	1	1
400 (Previous Year : 400) Shares of Rs.10/- each fully paid up in Syndicate Bank Limited	0.04	0.04
Nil (Previous Year : 1,45,760) Equity Shares of Rs.5/- each fully paid-up in Excel Industries Limited	-	238
Nil (Previous Year : 1,45,760) Equity Shares of Rs.5/- each fully paid-up in Excel Crop Care Limited	-	112
	<u>1</u>	<u>368</u>
Unquoted:		
1,12,500 (Previous Year :1,50,000) Equity Shares of Rs.10/- each fully paid-up of Nimbua Green Field (Punjab) Limited	11	15
12,500 (Previous Year : 12,500) Equity Shares of Rs.10/- each fully paid-up in Alpha Tools Private Limited	1	1
22,470 (Previous Year : 22,470) Equity Shares of Rs.10/- each fully paid-up of Stellar Marine Paints Limited	2	2
30 (Previous Year: Nil) Equity Share of Rs 50/- each fully paid up in Alkapuri Arcade Co-op Society	0.02	-
2,535 (Previous Year: Nil) Equity Share of Rs 10/- each fully paid up in Pragati Sahakari Bank Ltd	0.25	-
1,050 (Previous Year: Nil) Equity Share of Rs 10/- each fully paid up in Baroda Dist Industrial Co op Bank Limited	0.11	-
	<u>14</u>	<u>18</u>
	15	386
IN SUBSIDIARY COMPANIES (Trade)		
Unquoted:		
2,000 (Previous Year : 2,000) Equity Shares of GBP 1 each fully paid-up in STS Chemicals (UK) Limited	2	2
10,824 (Previous Year :10,824) Equity Shares of Euro 615 each fully paid -up in SD Agchem (Europe) N.V.	3,825	3,825
Nil (Previous year : 11,54,881) Equity Shares of Rs.10/- each fully paid-up in Parul Chemicals Limited (Refer Note No. 19 (A) in Schedule T)	-	263
		<u>4,090</u>
	3,827	
OTHER INVESTMENTS (Non Trade)		
Unquoted:		
516,814 (Previous Year :516,814) Units of Reliance Mutual Fund of Rs.10/- each [NAV Rs. 77 lacs (Previous Year : Rs. 75 lacs)]	45	45
National Savings Certificate	0.08	-
3,875 (Previous Year: Nil) 6.75% Tax Free US-64 Bonds of Rs 100/- each	4	-
	<u>49</u>	<u>-</u>
	49	
TOTAL	<u>3,891</u>	<u>4,521</u>
NOTES :		
1 Aggregate of quoted Investments		
Cost	1	368
Market Value	2	483
2 Aggregate of Unquoted Investments		
Cost	3,890	4,154



SCHEDULE "G"

(Rs. in lacs)

		As at 31st March, 2011	As at 31st March, 2010
INVENTORIES			
(At cost or net realizable value, whichever is lower)			
Stores and Spares (Including fuel)		291	310
Packing Materials		281	246
Stock in trade :			
(a) Raw Materials [Including Stock-in-transit Rs. 15 lacs (Previous Year: Rs. 132 lacs)]	1,496		2,262
(b) Semi-finished Products	602		694
(c) Finished Products [Including Stock-in-transit Rs. 384 lacs (Previous Year : Rs. 308 lacs)]	2,351		3,087
(d) Traded Goods [Including Stock-in-transit Rs. 50 lacs (Previous Year : Rs. Nil)]	296		381
		4,745	6,424
TOTAL		5,317	6,980

SCHEDULE "H"

(Rs. in lacs)

		As at 31st March, 2011	As at 31st March, 2010
SUNDRY DEBTORS - Unsecured (Refer Note No.11 of Schedule T)			
Debts outstanding for a period exceeding six months :			
i) Considered Good		5,140	7,487
ii) Considered Doubtful		2,080	533
		7,220	8,020
Less : Provision for Doubtful Debts		2,080	533
		5,140	7,487
Other Debts Considered Good		6,866	6,056
TOTAL		12,006	13,543

SCHEDULE "I"

(Rs. in lacs)

		As at 31st March, 2011	As at 31st March, 2010
CASH AND BANK BALANCES			
Cash Balance on hand		7	9
Bank Balances :			
With Scheduled Banks:			
(i) In Current Accounts		675	1,453
(ii) In Fixed Deposit Accounts			
[(Includes Rs. 51 lacs (Previous Year: Rs. 47 lacs) held in liquidity margin under Companies			
(Acceptance of Deposit Rules) and Rs.133 lacs (Previous Year : Rs. 473 lacs)			
as margin for Import Letter of Credit and Bank Guarantee.]]		264	571
(iii) In Unclaimed Dividend Accounts		25	27
(iv) In Unclaimed Fractional Shares Accounts		8	8
TOTAL		979	2,068



SCHEDULE "J"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
OTHER CURRENT ASSETS		
Interest Receivable	9	52
Job Work Charges Receivable	11	14
Export Benefits Receivable	275	198
Other Receivable	1	296
TOTAL	296	560

SCHEDULE "K"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
LOANS AND ADVANCES		
(Unsecured and Considered Good, unless otherwise stated)		
Advances to / Receivable from Subsidiary Companies (Refer Note No. 11 in schedule T)	2,578	2,131
Advances to / Receivable from Joint Venture Company (Refer Note No. 11 in Schedule T)	40	34
Advances recoverable in cash or in kind or for value to be received		
Considered Good (Refer Note No. 9 in Schedule T)	1,036	4,748
Considered Doubtful	1,138	16
	2,174	4,764
Less: Provision for Doubtful Advances	1,138	16
	1,036	4,748
Balances with customs, excise, etc	649	437
Sundry Deposits	142	107
Input Vat Adjustable / Receivable	200	250
Advance Tax [net off provision of Rs. 2,794 lacs]	23	-
Inter Corporate Deposit	57	57
TOTAL	4,725	7,764



SCHEDULE "L"

(Rs. in lacs)

		As at 31st March, 2011	As at 31st March, 2010
CURRENT LIABILITIES			
Acceptances		241	488
Sundry Creditors			
-Total dues to Micro & Small Enterprises (Refer Note No.7 in Schedule T)	-	-	-
-Total dues to other than Micro & Small Enterprises	8,938	8,938	7,022
Book Overdraft		175	444
Due to Subsidiaries		1,039	884
Advance from Customers		688	896
Forward/Derivatives MTM		-	242
Investor Education and Protection Fund shall be credited by the following amounts : (as and when due)			
i) Unclaimed Dividends	25		27
ii) Unclaimed Fractional Shares	8		8
iii) Unclaimed Deposits	0.5		1
iv) Unclaimed accrued Interest	0.1		0
		34	36
Security Deposits		299	245
Interest accrued but not due on loans		77	120
Other Liabilities		267	298
TOTAL		11,758	10,675

SCHEDULE "M"

(Rs. in lacs)

		As at 31st March, 2011	As at 31st March, 2010
PROVISIONS			
Employee Retirement & other Long term Benefits (Refer Note No.21 in Schedule T)		781	689
Provision for Income tax (Previous year: net off advance tax of Rs. 2,764 lacs)		-	7
TOTAL		781	696



SCHEDULE "N"

(Rs. in lacs)

	Current Year	Previous Year
OTHER INCOME FROM OPERATIONS		
Job Work Income [Tax Deducted at Source Rs.6 lacs (Previous Year : Rs.5 lacs)]	441	361
Management Fees	133	519
Micronising and Handling Charges	92	237
Export Benefits [Net of Written off Rs.24 Lacs (Previous Year: 179 Lacs)]	407	136
Exchange Difference (Net)	402	-
Income in respect of Government/Other Grants	4	4
Miscellaneous Income	111	65
TOTAL	1,590	1,322

SCHEDULE "O"

(Rs. in lacs)

	Current Year	Previous Year
OTHER INCOME		
Interest (Gross)		
-From bank [Tax Deducted at Source : Rs. 4.36 lacs (Previous Year : Rs. 2 lacs)]	40	25
-From Other	321	584
-On Income tax Refund	4	-
Income from Long-term Investments (Gross) :		
Dividend on other than Trade Investments	22	17
Insurance Claim Received	78	3
Profit on Sale of Investment (net)	299	-
Commission	3	130
Service Charges	40	40
Profit on Sale of Export Licenses (net)	-	59
Profit on Sale of Fixed Assets (net)	235	-
Miscellaneous Income/Sundry Credit Balance Written off (net)	40	-
Rent received	35	25
TOTAL	1,117	883

SCHEDULE "P"

(Rs. in lacs)

	Current Year	Previous Year
MATERIALS		
(INCREASE) / DECREASE IN STOCKS		
Closing Stocks		
Finished Products	(2,351)	(3,087)
Semi-finished Products	(602)	(694)
Traded Goods	(296)	(381)
	(3,249)	(4,162)
Add: Obsolete Inventory adjusted with Business Reconstruction Reserve (Refer Note No. 19 (B) Schedule T)	40	-
	(3,289)	(4,162)
Opening Stocks		
Finished Products	3,087	2,226
Semi-finished Products	694	838
Traded Goods	381	1,140
Add: Stock taken over on Amalgamation (Refer Note No. 19 (A) Schedule T)	132	-
	4,294	4,204
(Increase)/Decrease in Excise duty on Stocks (Refer Note No.25 Schedule T)	(17)	177
Stocks destroyed due to fire	-	(289)
A	988	(70)



SCHEDULE "P" CONTD.

(Rs. in lacs)

		Current Year	Previous Year
RAW MATERIALS CONSUMED			
Opening Stock	2,262		2,873
Add: Stock taken over on Amalgamation (Refer Note No. 19 (A) Schedule T)	62		-
Add : Purchases	19,572		18,122
Less:	21,896		20,995
Sale of Raw Materials	185		129
Closing Stock	1,496		2,262
	1,681		2,391
Add: Obsolete Inventory adjusted with Business Reconstruction Reserve (Refer Note No. 19(B) Schedule T)	46		-
	1,727	20,169	18,604
Less: Materials destroyed due to fire		-	65
		20,169	18,539
PURCHASE OF TRADED GOODS			
		2,194	2,576
TOTAL (A+B+C)		23,351	21,045

SCHEDULE "Q"

(Rs. in lacs)

	Current Year	Previous Year
PERSONNEL EXPENSES (Refer note 8 (a) in schedule T)		
Salaries, Wages, Bonus and Allowances	2,822	2,368
Contribution to Provident Fund and Other Funds (Refer Note No. 21 in Schedule T)	342	308
Employee Retirement & other long term Benefits (Refer Note No. 21 in Schedule T)	130	224
Amortisation of expenditure on Voluntary Retirement Scheme	-	52
Staff Welfare Expenses	312	298
	3,606	3,250
Less: Adjusted with Business Reconstruction Reserve (Refer Note No. 19 (B) Schedule T)	1,804	-
TOTAL	1,802	3,250

SCHEDULE "R"

(Rs. in lacs)

	Current Year	Previous Year
OPERATING AND OTHER EXPENSES :		
Stores and Spares Consumed	232	209
Power and Fuel	3,040	2,307
Repairs & Maintenance -Plant & Machinery (Net of Rs. Nil lacs (Previous year: Rs 198 lacs) of Repair transferred to Insurance Claim)	447	386
Repairs & Maintenance - Buildings	45	36
Repairs & Maintenance - Others	44	43
Rent	103	92
Rates and Taxes	90	76
Insurance Charges	111	91
Bad Debts written off	1,754	234
Postage, Telegrams and Telephones	60	65
Travelling and Conveyance	415	425
Vehicles Expenses	80	58
Commission on Sales (other than sole selling agents)	125	138
Discount on Sales	87	82
Provision for Doubtful Advances	1,122	-
Packing Expenses	875	908
Freight and Handling Expenses	642	544
Job Work Expenses	127	183

**SCHEDULE "R" CONTD.****(Rs. in lacs)**

	Current Year	Previous Year
Directors Sitting Fees	2	4
Charity and Donations (Other than Political Parties)	3	5
Write off of fixed assets	174	-
Provision for doubtful debts [Net off Provision for Doubtful Debt written back for Rs. Nil lacs (Previous Year : Rs. 19 lacs)]	1,547	256
Research and Development Expenses (Refer Note No.17 of Schedule T)	34	64
Provision for Loss on derivative contract (MTM)	-	59
Exchange Difference (net)	-	726
Marketing & Promotional Expenses	38	173
Other Expenses (Refer Note No.8 (b) & 12 in Schedule T)	872	1,021
[Net of Rs Nil (Previous Year:Rs. 194 lacs) of Loss of Fixed assets destroyed transferred to Insurance Claim]		
	12,069	8,185
Less: Adjusted with Business Reconstruction reserve (Refer Note No. 19 (B) Schedule T)	2,063	-
TOTAL	10,006	8,185

SCHEDULE "S"**(Rs. in lacs)**

	Current Year	Previous Year
INTEREST AND OTHER FINANCIAL COSTS		
Interest on Loans/ Deposits	1,317	1,319
Interest on Cash Credit Accounts	3,598	2,447
Interest on Others	171	204
Other Charges	459	464
	5,545	4,434
Less: Adjusted with Business Reconstruction Reserve (Refer Note No. 19 (B) Schedule T)	2,569	-
TOTAL	2,976	4,434

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT**SCHEDULE "T"****NOTES TO ACCOUNTS****1. Nature of Business Operations**

Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Company") is engaged in business of agro chemical and is manufacturing in technical grade and formulating pesticides, herbicides, fungicides and biocides. The Company has presence in both the domestic and international markets.

2. Significant Accounting Policies**Basis of preparation**

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of fixed assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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, actual results could differ from these estimates.

Fixed Assets

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation/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.

Depreciation/Amortization

- i) Depreciation is provided using Straight Line Method (SLM) for building, plant and machinery and electrical installations and Written Down Value Method (WDV) for all other assets, based on economic useful life of assets estimated by the management which coincides with the rates as prescribed under Schedule XIV of the Companies Act, 1956.
- ii) Cost of Computer Software/License is amortized on straight line basis over a period of three years.
- iii) 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.
- iv) The premium on leasehold land is amortized over the period of lease.
- v) Fixed Assets costing Rs. 5,000/- or less are fully depreciated in a year of acquisition.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/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.

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 charged directly against income. 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 or the lease term.

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 Profit and Loss account 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 Profit and Loss Account on straight line basis. Costs including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage etc are recognized immediately in the Profit and Loss Account.

Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and 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.

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 moving weighted average basis in case of two units situated at Punjab and on an annual weighted average basis in case of other units.
- ii) Traded Goods are valued at lower of cost or net realizable value.
- 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.

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 sale tax and VAT. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Income from Services

Income from service 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

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

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

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 carried forward when its future recoverability can reasonably be regarded as assured.

Government/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 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

Export Benefits

Raw Material imported duty free under Advance License are accounted for inclusive of Custom Duty. Benefits are accrued post export obligation fulfillment and classified under "Export Benefits" in "Other Income from Operations".

Post Exports, benefits accrued under the Duty Entitlement Pass Book Scheme (DEPB) and Duty Free Replenishment Certificate (DFRC) Scheme has been classified under the head 'Export Benefits' in "Other Income from Operations".

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.

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.

Retirement and Other Employee Benefits

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 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 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.

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.



- ii) 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 profit and loss account as income or expense.
- iii) Compensation paid under Voluntary Retirement Scheme is amortized over a period of three years not beyond March 31, 2010

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

Foreign currency monetary items are reported using the closing rate.

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) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

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 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.

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.

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.

Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

3. During the previous year, there was a fire at one of the plants of Agro Chemicals Division, Derabassi, for which the company has during the year received insurance claim of Rs. 619 lacs towards the same which has been disclosed under the head "Exceptional Income".

(Rs. in lacs)		
	Current Year	Previous Year
4. a) Contingent Liabilities not provided for:		
i) Bills of Exchange discounted	324	266
ii) Claims against the Company not acknowledged as debts :		
- Excise duty matters in dispute or under appeal	149	9
- Income Tax matters in dispute or under appeal	61	3
- Demand raised by Sales Tax Authorities	11	11
- Labour laws matters in dispute or under appeal	9	9
- Demand raised by previous land owners	327	284
- Other Claims	6	-
iii) Counter Guarantees given to Banks	328	347
iv) Corporate Guarantee given on behalf of Subsidiary Companies	8,324	8,516

(Guarantee given in foreign currency are revalued at closing exchange rates)

[Includes Corporate Guarantee given to State Bank of India of Rs. 446 lacs which is also secured by a first charge on the entire fixed assets (including immovable property) of the company]

Note : Further cash outflow in respect of 2(ii) above are determinable only on receipt of judgments / decisions pending with various forums / authorities.

b) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for 217 812

5. Gross Block of Building in Schedule 'E' includes Rs. 3,030 lacs [revalued] (Previous Year Rs. 761 lacs) pertaining to the purchase of office premises for which the Company holds right of occupancy and possession. The same is pending conveyance in favor of the Company.
6. 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.

7. Details of dues to Micro and Small Enterprises as per MSME Act, 2006

Based on the information available with the Company, as at year end - there are no Suppliers who are Registered as Micro, Small or Medium Enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".

(Rs. in lacs)		
	Current Year	Previous Year
8. Amounts capitalized in the respective project cost and excluded from :		
a) Personnel Expenses		
i) Plant & Machinery	8	19
b) Legal & Professional Charges		
i) Plant & Machinery	-	2
9. In respect of Loans and Advances Schedule, Advances recoverable in cash or in kind or for value to be received includes:		
Due from the Officers of the Company	1	0
Maximum amount due from the Officers of the Company at any time during the year	10	16
10. Sundry Debtors includes due from company under the same management under section 370 (1B) of the Companies Act 1956.		
S D Agchem (Europe) N.V.	3,912	3,212



	(Rs. in lacs)	
	Current Year	Previous Year
Agrichem B.V.	639	323
Sintesis Quimica SAIC	639	1,070
Parul Chemicals Limited	-	75
11. Loans and advances includes due from company under the same management under section 370 (1B) of the Companies Act 1956.		
S D Agchem (Europe) N.V.	1,972	1,611
Agrichem B.V.	414	251
Sintesis Quimica SAIC	165	144
STS Chemical (UK) Limited	27	24
Parul Chemicals Limited	-	100
Stellar Marine Paints Limited	40	34
Eftec Shroff (India) Limited	21	61
Maximum Amount outstanding during the period		
S D Agchem (Europe) N.V.	1,976	1,912
Agrichem B.V.	425	251
Sintesis Quimica SAIC	164	144
STS Chemical (UK) Limited	27	25
Parul Chemicals Limited	-	376
Stellar Marine Paints Limited	40	34
Eftec Shroff (India) Limited	64	109
12. Auditors' Remuneration (including Service Tax)		
<u>As a Auditor</u>		
Audit Fee (including fees for consolidation)	22	22
Tax Audit Fee	3	3
Limited Review Certification Fee	7	7
Out-of-pocket expense	2	1
<u>As advisor in respect:</u>		
Taxation matters	2	2
(A)	36	35
<u>Payment to Tax Auditors</u>		
<u>As a Auditor</u>		
Tax Audit Fee	2	1
<u>As advisor in respect:</u>		
Taxation matters	2	-
<u>In other manner:</u>		
Certification	-	1
(B)	4	2
TOTAL (A+B)	40	37
13. Managerial Remuneration		
Salaries	87	74
Contribution to Provident and other funds	20	20
House Rent Allowance	37	37
Perquisites*	6	15
(A)	150	146
Directors' Sitting Fees	2	4
(B)	2	4
TOTAL (A+B)	152	150

Note:- As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

* Evaluated as per Income-tax Rules wherever applicable



(Rs. in lacs)		
	Current Year	Previous Year
14. CIF value of Imports		
Raw Materials	7,369	7,102
Components & Spare Parts	1	7
Capital Goods	2	-
Traded Goods	269	1,871
TOTAL	7,641	8,980
15. Expenditure in Foreign Currency (Accrual Basis) :		
Travelling	29	44
Trade Commission and Discount	11	13
Advertisement, Publicity and Sale Promotion	19	25
Bank Charges	1	14
Product Registration Expenses (including Task Force Studies, Testing & Other Expenses)	119	816
Others	6	17
TOTAL	185	929
16. Earnings in Foreign Currency (Accrual Basis) :		
Export of Goods (FOB basis)	14,637	10,719
Commission Received	2	-
Interest on overdue balances, loans, advances, etc.	310	551
Management Fees	133	519
Data sharing fees	8	-
Others	6	-
TOTAL	15,096	11,789
17. Research and Development Expenditure :		
Salaries, Wages and Other related cost of personnel	139	141
Cost of material and services consumed	34	64
Repairs and Maintenance of equipments	0.63	5
Depreciation on assets used for Research and Development	17	17
TOTAL	191	227
18. Earning Per Share:		
Profit/(Loss) After Taxation as per Profit and Loss Account	(1,354)	(4,043)
Add : Excess / (Short) Provision for Taxations for earlier years	1	(69)
(A)	(1,353)	(4,112)
Nominal value of equity shares (Rs.)	10	10
(A) Basic Earning Per Share:		
Weighted Average Number of Equity Shares outstanding (Nos.) *	(B) 7,262,185	6,975,906
Basic Earning per share (Rs.)	(A) / (B) (18.64)	(58.95)
(B) Diluted Earning Per Share*:		
Weighted Average Number of Equity Shares outstanding (Nos.)	7,262,185	6,975,906
Dilutive impact of Equity Share (to be issued) (Nos.) - Weighted Average	-	546,082
Weighted Average Number of Equity Shares for computing diluted earning per share (Nos.)	(C) 7,262,185	7,521,988
Diluted Earning per share (Rs.)	(A / C) (18.64)*	(58.95)**

*69293 equity shares to be allotted as per the scheme of arrangement as mentioned in the note 19 (A) (f)

have been considered in computation of basic & diluted earning share from beginning of the reporting period. Since the issue of equity shares would decrease the loss per share from continuing ordinary activities, hence, the Potential Equity Shares are considered as "Anti-Dilutive" and the effect of anti-dilutive Potential Equity Shares is ignored in calculating Diluted Earning Per Share.

** Since the conversion of warrants to equity shares during the previous year would decrease the loss per share from continuing ordinary activities, hence, the Potential Equity Shares were considered as "Anti-Dilutive" and the effect of anti-dilutive Potential Equity Shares were ignored in calculating Diluted Earning Per Share.



19. Scheme of Arrangement

A) Amalgamation of Parul Chemicals Limited with the Company

- a) The scheme of arrangement ("the Scheme") pursuant to section 391 to 394 read with section 78 and 100 to 103 of the Companies Act, 1956, for financial restructuring of the Company and amalgamation of the erstwhile Parul Chemicals Limited (PCL) (hereinafter referred to as 'Transferor Company') with Punjab Chemicals and Crop Protection Limited (PCCPL) (hereinafter referred to as 'Transferee Company'), approved by the members at a court convened meeting of PCCPL and as approved by the members of PCL, was subsequently sanctioned by the Hon'ble High Courts of Punjab & Haryana at Chandigarh and High Courts of Gujarat at Ahmedabad vide orders dated 11th March, 2011 and 23rd March, 2011 respectively. Consequently upon the aforesaid approval, the assets and liabilities of PCL have been transferred to and vested in the Company with retrospective effect from April 01, 2009 (the Appointed date). The Scheme has accordingly been given effect to in these accounts.

The assets and liabilities of PCL as on the 'Appointed date' are as set out below:

Particulars	Rs in lacs	
	Amount	Amount
Assets		
Net Fixed Assets	190	-
Investment	11	-
Current Assets	645	-
Deferred Revenue Expenditure (To the extent not written off or adjusted)	19	-
Debit balance of profit and loss account	222	1,087
Liabilities		
Equity Share Capital	165	-
Reserve & Surplus	151	-
Loan Funds	540	-
Current Liabilities & Provision	231	1,087

- b) Parul Chemicals Limited (PCL), (the amalgamating company) is engaged in Pesticides formulation having plant at Vadodara.
- c) The arrangement has been accounted for under the "pooling of interest" method referred to in Accounting Standard 14- Accounting for Amalgamation, as prescribed by the Scheme. Accordingly the assets, liabilities and other reserve of PCL as on April 1, 2009 have been aggregated at their book value as specified in the Scheme. The investment in the equity share capital of the PCL as appearing in the books of the Company has been cancelled and consequently a similar amount has been reduced from the General Reserve Account of the Company.
- d) Pending approval of the Scheme, the accounts of PCL for the year ended March 31, 2010 were finalized as a separate entity. The loss after tax of Rs. 28 lacs incurred by PCL for the period from April 1, 2009 to March 31, 2010 has been adjusted in the profit and loss account of the Company for the year.
- e) The difference between the amount recorded as share capital to be issued by the Company as consideration for the merger and the amount of share capital (excluding the share capital held by the Company) of the PCL has been adjusted in the General Reserve Account of the Company in accordance with the scheme.
- f) 69,293 Equity Shares of Rs 10/- each fully paid up are to be issued to the equity share holders of the erstwhile PCL whose names are registered in the register of members on record date, without payment being received in cash. Pending allotment, the face value of such shares has been shown as "Equity Share Suspense Account". The company has since allotted the shares on May 11, 2011.
- g) From the effective date the authorized share capital will stand increased to Rs. 1,800 lacs consisting of 17,800,000 Equity shares of Rs 10/- each and 20,000 9.8% Redeemable Cumulative Preference Shares of Rs. 100/- each.
- h) All the employees of PCL in service on the effective date shall become the employees of the Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service. The terms and conditions of their employment shall not be less favourable than those subsisting with reference to PCL as at the effective date. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past service of such employees with PCL shall also be taken into account and the Company shall pay the same to such employees as and when due and payable.

B) Financial Restructuring

- i) Further as per the Scheme, the company has also formulated a scheme of financial restructuring to deal with various costs associated with its organic and inorganic growth plan including debt finance cost, impairment of product registration. Accordingly, upon the Scheme becoming effective, certain fixed assets of the Company have been reinstated at their respective fair values on the basis of the report of valuer appointed by the Company. Consequently, such reinstatement adjustment has been credited to Business Reconstruction Reserve Account ("BRR") of the Company.
- j) The Scheme further provides that the aggregate amount under the BRR created by way of revaluation of fixed assets would be utilised, to the extent considered necessary and appropriate by the Board of Directors of the Company from time to time, to adjust certain expenses and project cost as mentioned in the Scheme until the balance is available in the BRR account.



- k) Accordingly in terms of the Scheme, the Company has revalued its assets comprising of Land and Building and the resultant surplus aggregating Rs. 10,673 lacs has been credited to BRR. The balance of BRR has been utilized towards the following expenses as per the aforesaid scheme:
1. Incremental depreciation aggregating Rs. 499 lacs for the year ended March 31, 2010 and March 31, 2011 on land and building on account of revaluation;
 2. Other finance & professional charges related to loan restructuring amounting to Rs. 343 lacs;
 3. Fixed assets and capital projects written off aggregating to Rs. 2,224 lacs;
 4. Provision of non-recoverable account receivable and obsolete inventory of Rs. 184 lacs related to PCL;
 5. Expenses as deemed appropriate by the Board of Directors on account of unabsorbed production overheads due to under utilization of production capacity and interest & finance expense. These expenses comprise of Payroll expenses Rs. 1,804 lacs, depreciation Rs. 463 lacs, power & fuel Rs. 1,529 lacs, Repair & Maintenance Rs. 201 lacs and interest & finance expenses amounting to Rs. 2,268 lacs; and
 6. Expenses incurred in connection with the Scheme implementation or purposes mentioned there in aggregating to Rs. 19 lacs.
- l) The generally accepted Indian Accounting Standards and principles do not provide for such adjustment of expenses against BRR. Had the Scheme not prescribed aforesaid treatment, the impact would have been as under:

Amt in Rs. Lacs (Net of Tax Rs. Nil)*

In the Profit and Loss Account

Increase/(decrease)

March 31, 2011

Depreciation	962
Finance Expenses	2,569
Fixed assets and capital project written off	2,224
Payroll Expenses	1,804
Other operating Expenses	1,889
Material Cost (Inventory Written off)	86
Loss before tax	9,534
Provision for Deferred Tax*	Nil
Net Loss	9,534

*No deferred tax has been recognized in the absence of virtual certainty. Refer note no. 26 of schedule T.

Earning Per Share

**For the Year ended
March 31, 2011**

Basic and Diluted EPS (In Rs)	(149.91)
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In the Balance Sheet

Amt in Rs Lacs

Mar 31, 2011

Revaluation Reserve	10,673
Business Reconstruction Reserve	Nil
Profit and Loss Account Debit Balance	5,858
General Reserve	Nil

20. 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 31st March, 2011 is as under:

	(Rs. in lacs)
	Current Year
	Previous Year
Assets	12
Liabilities	45
Income	14
Expenses	20
Nature of Business	17

Stellar Marine Paints Limited is a Joint venture company of Punjab Chemicals and Crop Protection Limited which is into manufacture, domestic sale and export of Antifouling Paints, Marine Paints, Paint Additives and Wood Preservatives.



21. Employee Benefits

(A) Defined Contribution Plan - Provident Fund & Superannuation Fund

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

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the profit and loss account in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

	Current Year	(Rs. in lacs) Previous Year
(i) Defined Contribution Plan Contribution to Provident Fund	196	167
(ii) Defined Contribution Plan Contribution to Employee Superannuation Fund	130	121

(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.

- a) The amounts recognized in the statement of Profit and Loss Account are as follows:

	Current Year	(Rs. in lacs) Previous Year
Current service cost	51	45
Past Service Cost	-	40
Interest cost on benefit obligation	61	47
Expected return on plan assets	(23)	(20)
Net actuarial loss recognized during the year	(60)	58
Net Benefit Expense	29	170
Actual return on plan assets	26	24

- b) The amounts recognized in the Balance Sheet are as follows:

	Current Year	(Rs. in lacs) Previous Year
Present value of funded obligation	792	764
Less: Fair value of plan assets	302	286
Plan Asset/(Liability)	(490)	(478)

- c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	Current Year	(Rs. in lacs) Previous Year
Opening defined benefit obligation	764	583
Interest cost	61	47
Past Service Cost	-	40
Current service cost	52	45
Benefits paid	(28)	(14)
Actuarial (gains)/loss on obligation	(56)	63
Closing defined benefit obligation	792	764

- d) Changes in the fair value of plan assets are as follows:

	Current Year	(Rs. in lacs) Previous Year
Opening fair value of plan assets	285	246
Expected return	23	20
Contributions made by employer during the year	12	27
Benefits paid	(22)	(12)
Actuarial gains	3	5
Closing fair value of plan assets	302	286

- e) Expected contribution to defined benefit plan for the next year

	52	49
--	----	----



- f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:
- | | Current Year
% | Previous Year
% |
|--|-------------------|--------------------|
| Investments with insurer under:
Policy of Insurance | 100 | 100 |
- The Overall expected rate of 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.
- g) The principal actuarial assumptions at the Balance Sheet date.
- | | Current Year
% | Previous Year
% |
|---|---|---|
| Discount rate | 8 | 8 |
| Expected rate of return on plan assets | 8 | 8 |
| Employee Turnover | 2 | 2 |
| Expected rate of salary increase | 6 | 6 |
| Mortality table | LIC (1994 - 96)
Ultimate
1% to 3% | LIC (1994 - 96)
Ultimate
1% to 3% |
| Proportion of employees opting for early retirement | | |
- h) 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.
- Amount for the current & previous three periods are as follows:

	2010-11	2009-10	2008-09	2007-08
Defined Benefit Obligation	792	764	583	538
Plan Assets	302	286	246	215
Surplus / (Deficit)	(490)	(478)	(337)	(323)
Experience Adjustment on Plan Assets	1	3	-	-
Experience Adjustment on Plan Liabilities	(58)	(23)	-	-

22. Related Party Transactions

a) Relationships :

Subsidiaries of the Company :

- | | |
|---|---|
| 1. STS Chemicals (UK) Limited | 6. Parul Chemicals Limited # |
| 2. S D Agchem (Europe) NV | 7. Agrichem Polska SP. Z.O.O., Poland |
| 3. Sintesis Quimica.S.A.I.C., Argentina | 8. N.V. Agricultural Chemicals, Belgium |
| 4. Agrichem B.V. | 9. Agrichem Helvetia GmbH, Switzerland |
| 5. S D Agchem (Netherlands) B.V. | |

Other related parties with whom transactions have taken place during the year: -

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

1. Eftec Shroff (India) Limited
2. Hemsil Trading & Manufacturing Private Limited
3. M/s Chinmaya Metachem
4. M/s Shalil Meta Chem

Joint Venture Company

1. Stellar Marine Paints Limited

Key Management Personnel and their Relatives :

Directors

1. Mr. G.Narayana - Chairman
2. Mr. Shalil Shroff - Managing Director
3. Mrs.Rupam Shroff - Whole time Director
4. Mr. Avtar Singh - Whole time Director
5. Mr.S.S.Tiwari - Whole time Director
6. Capt.S S Chopra - Director

Relative of Directors

1. Mrs. Shaila Shroff
2. Mrs.Mahinder S.Chopra
3. Mrs. Bhupinder Kaur
4. Mr. Rajinder Singh
5. Mrs. Ravinder Kaur
6. Mrs. Rajni S Tiwari
7. Ms. Sonal Tiwari
8. Ms. Shakshi Tiwari
9. Mr.Ramanjor S Tiwari
10. Mr. Mahadev Suvarna
11. Mr. Jaswant Singh
12. Mrs. Manjeet Kaur
13. Ms. Shivani S. Tiwari
14. Ms. Kusum Tiwari



b) The following transactions are carried out with the related parties in the ordinary course of business :

Rs. in lacs

Nature of Transaction	Subsidiaries		*Other Related Parties		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales								
Agrichem B.V.	2,016	665	-	-	-	-	-	-
S D Agchem (Europe) N.V.	848	1,198	-	-	-	-	-	-
Sintesis Quimica SAIC	1,022	798	-	-	-	-	-	-
Parul Chemicals Limited	-	292	-	-	-	-	-	-
Stellar Marine Paints Limited	-	-	0.10	-	-	-	-	-
	3,886	2,953	0.10	-	-	-	-	-
Sale of Fixed Asset								
Parul Chemicals Limited	-	4	-	-	-	-	-	-
Purchases								
Parul Chemicals Limited	-	26	-	-	-	-	-	-
Sintesis Quimica S.A.I.C.	30	40	-	-	-	-	-	-
Stellar Marine Paints Limited	-	-	1	-	-	-	-	-
	30	66	1	-	-	-	-	-
Job Work Charges								
Parul Chemicals Limited	-	74	-	-	-	-	-	-
Expenses incurred on behalf of the Company								
Parul Chemicals Limited	-	17	-	-	-	-	-	-
S D Agchem (Europe) N.V.	107	658	-	-	-	-	-	-
Agrichem BV	-	74	-	-	-	-	-	-
	107	749	-	-	-	-	-	-
Reimbursement Received								
Parul Chemicals Limited	-	0.15	-	-	-	-	-	-
Efttec Shroff (India) Limited	-	-	-	21	-	-	-	-
Stellar Marine Paints Limited (Joint Venture)	-	-	-	1	-	-	-	-
	-	0.15	-	22	-	-	-	-
Repayment / Refund of ICD / Loans								
STS Chemicals (UK) Limited	1	5	-	-	-	-	-	-
Agrichem B.V.	3	22	-	-	-	-	-	-
Parul Chemicals Limited	-	102	-	-	-	-	-	-
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	665	-	-	-	-
Stellar Marnie Paints Limited	-	-	1	-	-	-	-	-
	4	129	1	665	-	-	-	-
Loans / ICD taken / obtained								
HemSil Trading & Manufacturing Pvt Ltd.	-	-	135	460	-	-	-	-
Mr. S. S. Chopra	-	-	-	-	-	9	-	-
Ms. Ravinder Kaur	-	-	-	-	-	-	-	2
Ms. Manjeet Kaur	-	-	-	-	-	-	-	2
Mr. Jaswant Singh	-	-	-	-	-	-	-	1
Mrs. Mahinder S. Chopra	-	-	-	-	-	-	7	-
	-	-	135	460	-	9	7	5
Preferential Allotment of Shares								
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	612	-	-	-	-
Forfeiture of Shares								
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	20	-	-	-	-



Rs. in lacs

Nature of Transaction	Subsidiaries		*Other Related Parties		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Investment Made								
Parul Chemicals Limited	-	263	-	-	-	-	-	-
S D Agchem (Europe) N.V.	-	246	-	-	-	-	-	-
	-	509	-	-	-	-	-	-
Management Fees								
S D Agchem (Europe) N.V.	-	255	-	-	-	-	-	-
Agrichem B.V.	133	264	-	-	-	-	-	-
	133	519	-	-	-	-	-	-
Interest Income								
S D Agchem (Europe) N.V.	273	452	-	-	-	-	-	-
Agrichem B.V.	14	-	-	-	-	-	-	-
Sintesis Quimica.S.A.I.C.	21	99	-	-	-	-	-	-
Stellar Marine Paints Limited (Joint Venture)	-	-	2	2	-	-	-	-
	308	551	2	2	-	-	-	-
Interest Paid								
Sintesis Quimica.S.A.I.C.	4	-	-	-	-	-	-	-
HemSil Trading & Manufacturing Pvt Ltd.	-	-	62	60	-	-	-	-
Eftec Shroff (India) Limited	-	-	-	4	-	-	-	-
Others	-	-	-	-	2	1	3	2
	4	-	62	64	2	1	3	2
Rent/Service charges etc. (Expense)								
HemSil Trading & Manufacturing Pvt Ltd.	-	-	27	22	-	-	-	-
Shalil Shroff HUF	-	-	-	-	7	7	-	-
	-	-	27	22	7	7	-	-
Rent/Service Charges etc. (Income)								
Rent								
Eftec Shroff (India) Limited	-	-	-	0.23	-	-	-	-
Service Charges								
Eftec Shroff (India) Limited	-	-	37	37	-	-	-	-
Stellar Marine Paints Limited (Joint Venture)	-	-	3	3	-	-	-	-
	-	-	40	40	-	-	-	-
Dividend Paid (Payment basis)								
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	22	-	-	-	-
Smt. Shaila Shroff	-	-	-	-	-	-	-	4
Mr. Shalil Shroff	-	-	-	-	-	7	-	-
Mrs. Rupam Shroff	-	-	-	-	-	3	-	-
Others	-	-	-	-	-	0.38	-	2
	-	-	-	22	-	10	-	6
Managerial Remuneration (Refer Note 13 of Schedule "T")								
Mr. Shalil Shroff	-	-	-	-	43	43	-	-
Ms Rupam Shroff	-	-	-	-	32	31	-	-
Mr. Avtar Singh	-	-	-	-	35	35	-	-
Mr. S S Tiwari	-	-	-	-	40	38	-	-
	-	-	-	-	150	146	-	-



Rs. in lacs

Nature of Transaction	Subsidiaries		*Other Related Parties		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Remuneration and Other Benefits								
Smt. Shaila Shroff	-	-	-	-	-	-	4	4
Mr. Rajinder Singh	-	-	-	-	-	-	-	-
Ms. Ravinder Kaur	-	-	-	-	-	-	3	3
Others	-	-	-	-	-	-	1	1
	-	-	-	-	-	-	8	8
Director Sitting Fees								
Sh.G Narayana	-	-	-	-	0.20	0.50	-	-
Capt. S S Chopra	-	-	-	-	0.20	0.30	-	-
	-	-	-	-	0.40	0.80	-	-
Corporate Guarantee Given								
Parul Chemicals Limited	-	375	-	-	-	-	-	-
Balance Outstanding as at the year end								
Intercompany Deposit								
HemSil Trading & Manufacturing Pvt Ltd.	-	-	557	422	-	-	-	-
Sundry Debtors								
SD Agchem (Europe) NV	3,912	3,212	-	-	-	-	-	-
Agrichem B.V.	639	323	-	-	-	-	-	-
Sintesis Quimica.S.A.I.C.	639	1,070	-	-	-	-	-	-
Parul Chemicals Limited	-	115	-	-	-	-	-	-
Stellar Marine Paints Limited (Joint Venture)	-	-	1	-	-	-	-	-
HemSil Trading & Manufacturing Pvt Ltd	-	-	-	-	-	-	-	-
	5,190	4,721	1	-	-	-	-	-
Sundry Creditors								
Sintesis Quimica.S.A.I.C.	61	38	-	-	-	-	-	-
Parul Chemical Limited	-	17	-	-	-	-	-	-
HemSil Trading & Manufacturing Pvt Ltd	-	-	11	-	-	-	-	-
Advances / Receivable to / from Subsidiaries / Joint Venture								
S D Agchem (Europe) N.V.	1,972	1,611	-	-	-	-	-	-
Sintesis Quimica.S.A.I.C.	165	144	-	-	-	-	-	-
STS Chemicals (UK) Limited	27	25	-	-	-	-	-	-
Agrichem B.V.	414	251	-	-	-	-	-	-
Parul Chemicals Limited	-	100	-	-	-	-	-	-
Stellar Marine Paints Limited (Joint Venture)	-	-	40	34	-	-	-	-
	2,578	2,131	40	34	-	-	-	-
Other Advances Recoverable								
Efec Shroff(India) Limited	-	-	21	61	-	-	-	-
Due to Subsidiaries								
S D Agchem (Europe) N.V.	961	809	-	-	-	-	-	-
Agrichem B.V.	78	74	-	-	-	-	-	-
	1,039	883	21	61	-	-	-	-



Rs. in lacs

Nature of Transaction	Subsidiaries		*Other Related Parties		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Fixed Deposit & Interest payable								
Mrs Kusum Tiwari	-	-	-	-	-	-	6	6
Ms. Shakshi S. Tiwari	-	-	-	-	-	-	3	3
Ms. Sonal S. Tiwari	-	-	-	-	-	-	3	3
Mrs. Mahinder S. Chopra	-	-	-	-	-	-	9	-
Mr.Surjit Singh Chopra	-	-	-	14	-	-	-	-
Other	-	-	-	-	-	-	10	8
	-	-	-	14	-	-	31	20
Guarantees given								
(Refer Note 4(a) (iv) of Sch T								
S D Agchem (Europe) N.V.	8,324	8,141	-	-	-	-	-	-
Parul Chemicals Limited	-	375	-	-	-	-	-	-
	8,324	8,516	-	-	-	-	-	-

* Enterprise over which key management personnel & their relatives have significant influence and joint venture Company

As per the high court order ,Parul chemicals Limited has been merged with Punjab Chemicals & Crop Protection Limited w.e.f 01.04.2009

23. Derivative Instruments and Un hedged Foreign Currency Exposure

Particulars of Derivatives

Purpose

Forward contract outstanding as at Balance Sheet date

Sell

NIL (Previous Year: US\$ 4,500,000)

Hedge of expected future sales

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	Current Year		Previous Year	
		Rs. In Lakhs	In FC in Lakhs	Rs. In Lakhs	In FC in Lakhs
(i) Sundry Creditors / Advance from Customers	EUR	246	4	141	2
	USD	2,147	48	1,115	25
(ii) Sundry Debtors / Advance to Vendors	EUR	7,634	123	3,414	56
	USD	5,160	115	2,660	59
(iii) Advances to / Receivable from Subsidiaries	EUR	3,667	59	1,862	31
	USD	220	7	144	3
	GBP	25	0.4	25	0.4
(iv) Due to Subsidiaries	EUR	1,848	29	809	13
	USD	-	2	74	2
(v) Investments in Subsidiaries (at historical Cost)	GBP	2	0.02	2	0.02
	EUR	3,825	134	3,825	67

(Rs. in lacs)

24. Leases

Current Year

Previous Year

(A) Finance Lease

Fixed assets includes Plant & Machinery and Computer softwares & Equipments obtained on finance lease. The Lease term is for various tenures at the end of which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Assets acquired under Finance Lease

101

101

Net carrying amount of assets at the balance sheet date

68

74

Total minimum lease payments at the year end

22

25



	Current Year	(Rs. in lacs) Previous Year
Less : Amount representing finance charges	5	8
Present value of minimum lease payment (rate of interest: 11.50% p.a.)	17	18
Minimum Lease payments:		
Not later than one year [present value Rs. 19 lacs as on 31.03.2011 (Rs. 20 lacs as on 31.03.2010)]	23	25
Later than one year and not later than 5 years [present vale Rs. 35 lacs as on 31.03.2011 (Rs. 54 lacs as on 31.03.2010)]	37	60
Later than 5 years	-	-

(B) Operating Lease**In case of assets taken on lease**

Office premises and godowns are obtained on operating leases for various tenure.

Lease payment for the year charged to the Profit & Loss Account

There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no sub-leases.

In case of assets given on lease

The company has leased out office premises on operating lease. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements.

Lease & Sub-lease rent for the period

Details of Assets given on lease rent is as below:-

Gross Block of Asset

Accumulated Depreciation

Net Block

	Current Year	(Rs. in lacs) Previous Year
	103	92
	35	25
	1,054	210
	37	19
	1,017	191

25. Excise duty on sales amounting to Rs. 1,969 lacs (Previous Year: Rs.1,415 lacs) has been reduced from sales in profit & loss account and excise duty on increase/(decrease) in stock amounting to (Rs. 17 lacs) (Previous Year : 177 lacs) has been considered as (income)/expense in Schedule "P".

26. Break-up of Deferred Tax Assets and Deferred Tax Liabilities:**Deferred Tax Assets**

- i) Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years

- iii) Unabsorbed loss & Depreciation *

	Current Year	(Rs. in lacs) Previous Year
	907	417
	1,141	1,509
(A)	2,048	1,926

Deferred Tax Liabilities

- i) Differences in depreciation and other differences in block of fixed assets as per tax books and financial books

	2,048	1,926
(B)	2,048	1,926

Net Deferred Tax Assets/(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 DTA has been recognised only to the extent of Deferred Tax Liabilities.



27. Segment Reporting

1. Information about Primary Business Segment:

The Company is organised 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.

Rs. in lacs

Particulars	Current Year			Previous Year		
	Chemicals	Bulk Drug and Intermediates	Total	Chemicals	Bulk Drug and Intermediates	Total
Revenue:						
External Revenue	27,820	6,329	34,149	24,049	6,219	30,268
Inter-Segment Sale	427	21	448	184	197	381
Total Segment Revenue	28,247	6,350	34,597	24,233	6,416	30,649
Elimination	427	21	448	184	197	381
Total Revenue	27,820	6,329	34,149	24,049	6,219	30,268
Results:						
Segment Results*	524	777	1,301	(1,187)	104	(1,083)
Unallocable Expenses net of Unallocated Income	-	-	(321)	-	-	(17)
Interest and Other Financial Expenses	-	-	2,976	-	-	4,434
Profit/(Loss) before Tax			(1,354)			(5,500)
Provision for Taxation:						
Current Tax			-			-
Deferred Tax			-			1,457
Fringe Benefit Tax			-			(69)
Short Provision of Income tax for Earlier Years			1			
Profit/ (Loss) after Tax	-	-	(1,353)	-	-	(4,112)
Other Information:						
Segment Assets	39,577	9,445	49,022	39,898	6,787	46,685
Unallocable Assets	-	-	3,948	-	-	4,559
			52,970			51,244
Segment Liabilities	11,140	1,288	12,428	9,705	1,366	11,071
Unallocable Liabilities	-	-	33,432	-	-	32,632
			45,860			43,703
Segment Capital Expenditure	858	239	1,097	2,007	234	2,241
Segment Depreciation/Amortisation	440	254	694	705	354	1,059
Non Cash expenses other than Depreciation	4,586	11	4,597	514	14	528

* Net of adjustment with Business Reconstruction Reserve

2. Information about Secondary Business Segment

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 Domestic and Export market.

Rs.in lacs

Particulars	Current Year			Previous Year		
	India	Outside India	Total	India	Outside India	Total
Revenue	19,512	14,637	34,149	19,559	10,709	30,268
Carrying amount of Segments Assets	32,437	20,533	52,970	39,313	11,931	51,244
Addition to Fixed Assets	1,097	-	1,097	2,241	-	2,241



28. The Company has availed the Exemption as per notification dated 8th February, 2011 issued by Ministry of Corporate Affairs and accordingly, the additional information pursuant to the provisions of paragraphs 3(i)(a), 3(ii)(a), 3(ii)(b) and 3(ii)(d) of Part II of Schedule VI to the Companies Act, 1956 has not been disclosed in the financial statements.

29. Particulars Relating to Licensed, Installed Capacity, Production, Purchases, Stock and Sales

29.1 Licensed Capacity, Installed Capacity and Production :

Products	Unit	Licensed Capacity (P.A.)	Installed Capacity (P.A.)	Production
Oxalic Acid and Other Oxalates	MT	23,600 (23,600)	15,850 (15,850)	10,817 (8,546)
Agro Chemicals and their intermediaries	MT	11,320 (11,520)	7,365 (7,461)	5,166 (5,675)
Specialty Chemicals	MT	1,755 (1,655)	2,354 (2,397)	1,399 (882)
Phosphorous based compounds*	MT	- (-)	16,200 (16,200)	8,908 (8,058)
Organic Phosphates*	MT	- (-)	2,712 (2,712)	337 (223)
Inorganic Phosphates*	MT	- (-)	3,120 (3,120)	1,001 (850)
Bulk Drug*	MT	- (-)	360 (240)	150 (192)
Other Chemicals	MT	8,600 (8,600)	3,500 (3,500)	1,544 (1,567)
Sulphur based Compound*	MT	- (-)	12,750 (12,750)	8,203 (6,461)
	KL	- (-)	300 (300)	103 (153)
Formulated Goods	NOS.	- (-)	- (-)	1,062,085 (2,828,387)
	MT	5,400 (-)	5,400 (-)	183 (-)
	KL	3,800 (-)	3,800 (-)	397 (-)
By-Products	MT	11,035 (11,035)	- (-)	12,509 (7,139)

Notes:

1. Installed Capacity is as certified by the Management on which the auditors have relied.
2. Production includes 12,918 MT (Previous Year: 6,644 MT) quantities produced for internal consumption.
3. *Licensed Capacity is not applicable.
4. Closing Stock are after adjustments for in-transit, damages, shortages and sample issues.
5. Figures in Bracket represent previous year.

29.2 Imported and Indigenous raw materials and spare parts consumed

Items	2010-11		2009-10	
	Value	%	Value	%
Raw Materials				
Imported (CIF, Custom Duty and Other Charges)	7,816	40	7,662	41
Indigenously obtained	12,353	60	10,877	59
TOTAL	20,169	100	18,539	100



Items	2010-11		2009-10	
	Value	%	Value	%
Spare Parts:				
Imported	1	0	7	3
Indigenously obtained	231	100	202	97
TOTAL	232	100	209	100

30 Previous Year Comparatives

The figure for the current year includes figures of Parul Chemicals Limited (PCL) which is amalgamated with the Company with effect from April 1, 2009 and are, therefore to that extent, not comparable with those of previous year. Previous year's figures have been regrouped / rearranged where necessary to conform to this year's classification.

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & CO.**
Firm registration number: 301003E
Chartered Accountants

G. NARAYANA
Chairman

SHALIL SHROFF
Managing Director

S.S. TIWARI
Whole Time Director

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

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

VIPUL JOSHI
Chief Financial Officer

Mumbai
May 30, 2011

Mumbai
May 30, 2011


32. Additional information as required under part IV of Schedule VI to the Companies Act 1956.

Balance Sheet abstract and Company's General Business Profile :

i) Registration Details :

Registration No.	3,603	State Code	53
Balance Sheet Date :	31st March, 2011		

ii) Capital raised during the year : (Amount in Rs. Thousand)

Public Issue	Right Issue
-	-
Bonus Issue	Convertible Warrant
-	-

iii) Position of Mobilisation and Deployment of funds : (Amount in Thousands)

Total Liability	Total Assets
4,043,100	4,043,100

Sources of Funds :

Paid up Capital	Reserves & Surplus
72,600*	638,400
Secured Loans	Unsecured Loans
3,170,500	161,600

Application of Funds :

Net Fixed Assets	Investments
2,575,600	389,100
Net Current Assets	Misc. Expenditure
1,078,400	-
Accumulated Losses	
-	

iv) Performance of Company : (Amount in Rs. Thousands)

Turnover	Total Expenditure
3,747,500	3,882,900
Profit/(Loss) before tax	Profit/(Loss) after tax
(135,400)	(135,400)
Earning per share (Rs.)	Dividend Rate
(18.64)	-

v) Generic Names of Three Principal Products / Services of the Company :

Product Description	Item Code No. (ITC)
i) OXALIC ACID	29,171,101
ii) DIETHYL OXALATE	29,171,109
iii) SODIUM NITRITE	28,341,001

*Includes amount of Rs. 700 thousand of equity share suspense account. The company has issued 69,293 equity shares of Rs. 10/- each fully paid up to the equity shareholder of the erstwhile Parul Chemicals Limited, without payment being received in cash. Pending allotment, the face value of such shares has been shown as 'Equity Share Suspense Account.'

As per our report of even date

G. NARAYANA

Chairman

PUNIT K. ABROL

Sr. Vice President (Finance) & Company Secretary

Mumbai

May 30, 2011

For and on behalf of the Board of Directors

SHALIL SHROFF

Managing Director

VIPUL JOSHI

Chief Financial Officer

S.S. TIWARI

Whole Time Director

PUNJAB CHEMICALS & CROP PROTECTION LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sr.No (1)	Name of the Subsidiary Company (2)	Date from which the company became subsidiary (3)	Financial year ending of the Subsidiary (4)	Number of equity shares held (5)	Face Value (6)	Extent of holding (7)	Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.6) (8)	Profit/(losses) so far it concerns the members of the holding company and not dealt with in books of account of the holding company (except to the extent dealt with in col.8) (9)	Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.8) (10)	Profit/(losses) so far it concerns the members of the holding company and dealt with in books of account of the holding company (11)
1	STS Chemicals (UK) Limited	01.04.2004	31.03.2011	2,000 (2,000)	£ 1/- each (£ 1/- each)	100% (100%)	Rs.(2.70) lacs GBP(0.07) lacs Rs(5.11) lacs GBP(0.07) lacs	-	Rs(5.11) lacs GBP(0.07) lacs (Rs(4.96) lacs) (GBP(0.07) lacs)	-
2	SD Agchem (Europe) NV	14.10.2005	31.03.2011	10,824 (10,824)	Euro 615/-each (Euro 615/-each)	100% (100%)	Rs.(153.17) lacs EUR (2.47) lacs Rs.(762.92) lacs EUR (11.94) lacs	-	Rs.(762.92) lacs EUR (11.94) lacs (Rs.(552.75) lacs) (EUR (8.46) lacs)	-
3	Sintesis Quimica S.A.I.C	11.12.2006	31.03.2011	200,000 (196,000)	Peso 10/-each (Peso 10/-each)	100% (98%)	Rs.489.37 lacs PESO 42.88 lacs (Rs.536.30 lacs) (PESO 41.77 lacs)	-	Rs.536.30 lacs PESO 41.77 lacs (Rs.273.90 lacs) (PESO 20.50 lacs)	-
4	S D Agchem (Netherlands) I B.V.	29.06.2007	31.03.2011	1,800 (1,800)	Euro 10/-each (Euro 10/-each)	100% (100%)	Rs.(246.70) lacs EUR (3.98) lacs (Rs.(220.45) lacs) (EUR (3.45) lacs)	-	Rs.(220.45) lacs EUR (3.45) lacs (Rs.(308.40) lacs) (EUR (4.72) lacs)	-
5	Agrichem B.V	24.08.2007	31.03.2011	1,800 (1,800)	Euro 10/-each (Euro 10/-each)	100% (100%)	Rs.955.33 lacs EUR 15.41 lacs (Rs.(1400.69) lacs) (EUR (21.92) lacs)	-	Rs.(1400.69) lacs EUR (21.92) lacs (Rs.192.09 lacs) (EUR 2.94 lacs)	-
6	Parul Chemicals Limited	01.04.2009	31.03.2011	- (11,548,810)	- (Rs.10/-each)	- (70%)	- (Rs. (9.09) lacs)	-	- (Rs. (9.09) lacs)	-
7	NV Agricultural Chemicals	28.08.2007	31.03.2011	100 (100)	Euro 1000/- each (Euro 1000/- each)	100% (100%)	- (Euro 1000/- each)	-	-	-
8	Agrichem (Helvetia) GmbH	28.08.2007	31.12.2010	1 (1)	CHF 1,40,000 (CHF 1,40,000)	100% (100%)	- (CHF 1,40,000)	-	-	-
9	Agrichem Polska SP.Z O.O.	17.07.2010	31.12.2010	100	Euro 12.80/-each	100%	-	-	-	-
10	PG Crop Protection Limited	28.08.2007	31.12.2010	- (20,000)	- (£ 1/- each)	- (100%)	-	-	-	-

Change in the interest of Punjab Chemicals & Crop Protection Limited in the subsidiary companies between the end of financial year of the subsidiary companies and 31st March, 2011.

Note:

- 1) The accounts of 100% Subsidiary companies viz. Agrichem Polska SP.Z O.O., Poland, N.V. Agricultural Chemicals, Belgium and Agrichem Helvetia, GmbH, Switzerland have not given as the said subsidiaries are considered to be insignificant.
- 2) Figures in parenthesis pertain to previous year.
- 3) The Company has amalgamated its subsidiary Parul Chemicals Limited(PCL) with itself during the year and accordingly, accounts of PCL have been merged with the Company's accounts w.e.f. 01.04.2009.
- 4) PG Crop Protection Limited was dissolved w.e.f. 20.07.2010.

Place : Mumbai
Date : May 30, 2011

G. Narayana
Chairman

Shaili Shroff
Managing Director

S.S. Tiwari
Whole Time Director

Punit K. Abrol
Sr. Vice President (Finance) &
Company Secretary

Vipul Joshi
Chief Financial Officer





AUDITORS' REPORT

To
THE BOARD OF DIRECTORS,
PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

1. We have audited the attached consolidated balance sheet of Punjab Chemicals and Crop Protection Limited ('the Holding Company') and its subsidiaries except for those referred to in paragraphs 5a and 5b below (hereinafter referred together as "the group"), as at March 31, 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Punjab Chemicals and Crop Protection Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 51,552 lacs as at March 31, 2011, the total revenue of Rs. 36,347 lacs and cash inflows amounting to Rs. 138 lacs for the year then ended. The financial statements of these subsidiaries have been prepared in accordance with accounting policies generally accepted in their respective countries and have been audited by other auditors who have submitted their audit opinions prepared under generally accepted auditing standards of their respective countries. The Management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, in so far it relates to amount included in respect of these subsidiaries, is based solely on the reports of other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management examined by us on a test basis.
4. We report that the consolidated financial statements have been prepared by the Punjab Chemicals and Crop Protection Limited's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] read with para 7 below.
5. a. *100% subsidiaries viz. Agrichem Polska, N.V. Agricultural Chemicals and Agrichem Helvetia GmbH, have 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 these subsidiaries on the financial position and operating results of the group. Our audit report on the consolidated financial statement for the year ended March 31, 2010 was qualified in respect of non-inclusion of these subsidiaries on the financial position and operating results of the group.*
5. b. *Effect of investment in associate companies on the financial position and operating results of the Group, as required by Accounting Standard (AS) 23, 'Accounting for Investment in Associates in Consolidated Financial Statement' Ventures' have not been considered in the consolidated financial statements. We are unable to comment on the impact of the non-inclusion of effect of investment in associate companies on the financial position and operating results of the group. Our audit report on the consolidated financial statement for the year ended March 31, 2010 was qualified in respect of effect of investment in associate companies on the financial position and operating results of the group.*
6. Without qualifying our audit report, we draw attention to Note 14 of Schedule T to the Consolidated financial statement. As per Scheme of Arrangement U/s 391 to 394 of the Companies Act 1956 approved by the Hon'ble High Courts of Punjab & Haryana at Chandigarh and High Courts of Gujarat at Ahmedabad vide orders dated March 11, 2011 and March 23, 2011 respectively, the Group has been allowed to create Business Reconstruction Reserve by revaluation of fixed assets for adjusting certain expenses as defined in the scheme. Accordingly, expenses amounting to Rs. 9,534 lacs have been adjusted against the Business Reconstruction Reserve.
7. *Having regard to the matters referred to in paragraph 5a and 5b above the effects of which on the accompanying Consolidated Financial Statements are currently not ascertainable, based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India :*
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2011;
 - (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.
 Firm registration number: 301003E
 Chartered Accountants

Per Ravi Bansal
Partner
 Membership No.: 49365

Place: Mumbai
 Date: May 30, 2011



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in lacs)

Particulars	Schedule	As at 31st March, 2011	As at 31st March, 2010
Sources of Funds			
Shareholders' Funds			
Share Capital	A	719	719
Equity Share Suspense Account (Refer Note No. 14 (A) (f) of Schedule T)		7	-
Reserves and Surplus	B	3,633	3,693
		4,359	4,412
Minority Interest		-	78
Loan Funds			
Secured Loans	C	52,573	50,984
Unsecured Loans	D	4,837	5,610
		57,410	56,594
Deferred Tax Liabilities (Refer Note No.20 in Schedule "T")		3,940	4,081
Total		65,709	65,165
Application of funds			
Fixed Assets and Intangible Assets	E		
Gross Block		66,961	53,172
Less : Accumulated Depreciation/Amortisation		20,457	16,662
Net Block		46,504	36,510
Capital Work-in-Progress including Capital Advances		940	1,133
		47,444	37,643
Investments	F	1,480	1,811
Foreign Currency Monetary Item Translation Difference		-	20
Current Assets, Loans and Advances			
Inventories	G	12,186	13,673
Sundry Debtors	H	18,399	17,480
Cash and Bank Balances	I	1,805	2,788
Other Current Assets	J	296	549
Loans and Advances	K	3,577	6,709
		36,263	41,199
Less : Current Liabilities and Provisions			
Current Liabilities	L	18,536	14,695
Provisions	M	942	813
		19,478	15,508
Net Current Assets		16,785	25,691
Total		65,709	65,165
Notes to Consolidated Accounts	T		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & CO.**
Firm registration number: 301003E
Chartered Accountants

G. NARAYANA
Chairman

SHALIL SHROFF
Managing Director

S.S. TIWARI
Whole Time Director

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

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

VIPUL JOSHI
Chief Financial Officer

Mumbai
May 30, 2011

Mumbai
May 30, 2011



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in lacs)

Particulars	Schedule	Current Year	Previous Year
Income			
Sale of Products (Gross)		67,124	58,433
Less: Excise Duty (Refer note 21 of schedule "T")		1,969	1,573
Sale of Products (Net)		65,155	56,860
Other Income from Operations	N	1,718	1,001
Other Income	O	1,181	441
Exceptional Income (Refer note 3 of schedule "T")		619	-
		68,673	58,302
Expenditure			
Materials	P	39,931	35,840
Personnel Expenses	Q	7,203	7,862
Operating and Other Expenses	R	14,030	12,004
Depreciation / Amortisation		3,159	3,419
Interest and Other Financial Charges	S	4,688	6,611
		69,011	65,736
Profit/ (Loss) Before Taxation		(338)	(7,434)
Less: Provision for Taxation:			
- Current Tax		435	175
- Deferred Tax (Refer Note 20 Schedule "T")		(141)	(1,813)
		294	(1,638)
Excess / (Short) provision for tax of earlier years		1	(84)
Profit/ (Loss) After Taxation		(631)	(5,880)
Less: Minority Interest		-	1
NET PROFIT / (LOSS)		(631)	(5,879)
Add: Surplus brought forward from Previous Year		-	216
Balance Carried to Balance Sheet		(631)	(5,663)
Consolidated Earning Per Share (in Rs.):			
Basic & Diluted Earning Per Share		(8.69)	(84.27)
Face Value Per Share (in Rs.)		10	10
(Refer Note No. 11 in Schedule "T")			
Notes to Consolidated Accounts	T		

The Schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account.

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & CO.**
 Firm registration number: 301003E
Chartered Accountants

G. NARAYANA
Chairman

SHALIL SHROFF
Managing Director

S.S. TIWARI
Whole Time Director

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

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

VIPUL JOSHI
Chief Financial Officer

Mumbai
 May 30, 2011

Mumbai
 May 30, 2011



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	(Rs. in lacs)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. Cash flow from Operating Activities		
Net Profit\ (Loss) before taxation	(338)	(7,434)
Adjustments for :		
Business Reconstruction Reserve	(9,534)	-
Depreciation/Amortisation	4,121	3,419
Amortisation of expenses	-	71
Write off or other adjustment of Fixed assets	174	38
Capital Projects written off	2,050	-
Provision for Doubtful Debts (net)	1,526	256
Provision for Doubtful Advances	1,122	-
Unrealised foreign exchange Loss/(Gain) (net)	(239)	801
Interest Income	(97)	(135)
Dividend Income	(22)	(30)
Income in respect of Government/Other Grants	(4)	(4)
Interest expense	7,257	6,058
Bad Debts / Sundry balances / claims written off	1,754	234
Loss/(Profit) on sale of Investments	(299)	2
Profit on sale of fixed assets	(578)	-
Exchange Difference on loans taken	(1,987)	105
Operating Profit before working capital changes	4,906	3,381
Movement in Working Capital		
Decrease/(Increase) in Sundry Debtors	(6,088)	541
Decrease/(Increase) in Inventories	1,487	2,466
Decrease/(Increase) in Other current assets	252	(144)
Decrease/(Increase) in Loans and advances	5,258	(2,636)
Increase/(Decrease) in Current liabilities	3,789	(304)
Increase/(Decrease) in Provisions	82	184
Cash generated/(used) from/in operations	9,687	3,490
Direct Taxes paid (Net)	337	297
Net cash generated/(used) from/in Operating Activities	9,351	3,193
	A	
B. Cash Flow from Investment Activities		
Purchase of Assets	(5,140)	(4,796)
Proceeds from sale of fixed assets	1,009	230
Purchase of Investments	(16)	-
Sale of Investments	665	134
Fixed Deposit (with maturity more than three months)	321	(43)
Interest received	97	144
Dividend received	22	30
Miscellaneous Expenditure incurred	-	(19)
Net Cash generated/(used) from/in Investing Activities	(3,042)	(4,320)
	B	



		(Rs. in lacs)
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
C. Cash Flow from Financial Activities		
Proceeds from Conversion of Equity Convertible Warrants to Equity	-	735
Proceeds from borrowings	8,106	13,774
Repayment of borrowings	(7,740)	(8,369)
Interest Paid	(6,807)	(5,987)
Dividend & Tax on distributed Profits	-	(114)
Net cash generated/(used) from/in Financing Activities	(6,441)	39
Exchange Difference arising on conversion debited to Foreign Currency Translation Reserve	(530)	2,085
Net increase/(decrease) in cash and cash equivalents	(663)	997
Cash and cash equivalents at the beginning of the year	2,203	1,206
Cash and cash equivalents at the end of the year	1,540	2,203
Components of Cash & Cash Equivalents		
Cash & Cheques on Hand	32	22
With Banks		
a) On Current Account	1,425	2,147
b) On Deposit Account	314	585
c) In Unclaimed Dividend Accounts*	26	27
d) In Unclaimed Fractional Shares Accounts*	7	7
	1,804	2,788
Less: Fixed deposit not considered as cash & cash equivalents	(264)	(585)
Net Cash & Cash Equivalents as per AS 3	1,540	2,203

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

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 issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & CO.**
Firm registration number: 301003E
Chartered Accountants

G. NARAYANA
Chairman

SHALIL SHROFF
Managing Director

S.S. TIWARI
Whole Time Director

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

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

VIPUL JOSHI
Chief Financial Officer

Mumbai
May 30, 2011

Mumbai
May 30, 2011



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE "A"**Rs. in lacs**

	As at 31st March, 2011	As at 31st March, 2010
SHARE CAPITAL		
AUTHORISED:		
1,78,00,000 (Previous Year : 1,48,00,000) Equity Shares of Rs.10/- each	1,780	1,480
20,000 (Previous Year : 20,000) 9.8 percent Redeemable Cumulative Preference Shares of Rs.100/- each. (Refer Note No. 14 (A) (g) of Schedule T)	20	20
	<u>1,800</u>	<u>1,500</u>
ISSUED:		
72,07,925 (Previous Year : 72,07,925) Equity Shares of Rs.10/- each.	<u>721</u>	<u>721</u>
SUBSCRIBED AND PAID UP :		
71,92,892 (Previous Year : 71,92,892) Equity Shares of Rs.10/- each fully paid-up	719	719
Of the above shares :		
1) 21,55,662 (Previous Year : 21,55,662) Equity Shares of Rs. 10/- have been allotted as fully paid up by way of Bonus Shares out of General Reserve		
2) 22,81,568 (Previous Year : 22,81,568) Equity shares of Rs.10/- each fully paid-up have been allotted pursuant to a Scheme of Arrangement, without payments being received in cash.		
TOTAL	<u>719</u>	<u>719</u>

SCHEDULE "B"**Rs. in lacs**

	As at 31st March, 2011	As at 31st March, 2010
RESERVES AND SURPLUS		
CAPITAL RESERVE		
Balance as per last Balance Sheet	309	185
Add : Equity Convertible Warrants forfeited	-	124
	<u>309</u>	<u>309</u>
CAPITAL SUBSIDY FROM STATE GOVERNMENT	15	15
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	1,072	316
Add: Conversion of Preferential Equity Convertible Warrants to Equity	-	756
Add: Adjustment pursuant to scheme of Arrangement (Refer Note No. 14 (A) (f) of Schedule T)	107	-
Add: Adjustment pursuant to scheme of Arrangement (Refer Note No. 14 (A) (a) of Schedule T)	28	-
	<u>1,207</u>	<u>1,072</u>
GOVERNMENT GRANT		
Balance as per last Balance Sheet	29	31
Less : Grant recognised in the Profit and Loss Account	2	2
	<u>27</u>	<u>29</u>
DEVELOPMENT AID GRANT UNIDO		
Balance as per last Balance Sheet	33	35
Less : Grant recognised in the Profit and Loss Account	2	2
	<u>31</u>	<u>33</u>
CAPITAL REDUCTION RESERVE		
Add: Reserve of Parul Chemicals Limited (PCL) pursuant to scheme of Arrangement (Refer Note No. 14 (A) (a) of Schedule T)	21	-
AMALGAMATION RESERVE		
Add: Reserve of PCL pursuant to scheme of Arrangement (Refer Note No.14 (A) (a) of Schedule T)	19	-
CAPITAL REDEMPTION RESERVE		
Add: Reserve of PCL pursuant to scheme of Arrangement (Refer Note No.14 (A) (a) of Schedule T)	28	-
BUSINESS RECONSTRUCTION RESERVE (Refer Note No. 14 (B) of Schedule T)		
Revaluation of Land and Building	10,673	-
Less: Expenses as per the scheme adjusted against BRR (Refer Note No.14 (B) of Schedule T)	9,534	-
	<u>1,139</u>	<u>-</u>

**SCHEDULE "B" CONTD.**

	Rs. in lacs	
	As at 31st March, 2011	As at 31st March, 2010
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last Balance Sheet	87	306
Add: Exchange difference in respect of non-integral foreign operations	(530)	(219)
		87
GENERAL RESERVE		
Balance as per last Balance Sheet	2,148	7,811
Less: Adjustment pursuant to scheme of Arrangement (Refer Note No.14 of Schedule T)	(237)	
Less : Balance in Profit and Loss Account	(631)	(5,663)
	1,280	2,148
TOTAL	3,633	3,693

SCHEDULE "C"

	Rs. in lacs	
	As at 31st March, 2011	As at 31st March, 2010
SECURED LOANS		
From Banks:		
On Term Loan Accounts (Refer Note No.1 to 12, 14 below)	32,888	27,378
Interest Accrued and due on Term Loans	184	6
On Cash Credit and Working Capital Demand Loan Accounts (Refer Note No. 13 to 19 below)	18,899	23,220
Interest Accrued and due on Cash Credit	293	-
Under Vehicle Finance Scheme (Refer Note No. 20 below)	18	56
Under Housing Finance Scheme (Refer Note No. 25 below)	83	98
	52,365	50,758
From Others		
Under Housing Finance Scheme (Refer Note No. 21 below)	38	46
Under Vehicle Finance Scheme (Refer Note No.22 & 23 below)	64	106
Finance Lease Obligation (Refer Note No. 19 of Schedule T) (Refer Note No.24 below)	106	74
TOTAL	52,573	50,984

Notes :

- Under restructuring arrangement with the Allahabad Bank cash credit of Rs 5,000 lacs has been converted into Term Loan of Rs. 5,000 Lacs (Previous Year: Rs. 5,003 lacs as a Cash credit facility) and is secured by way of first pari passu charge on the fixed assets (Except Pharmaceutical division) and second pari passu charge on the current assets of the company.
- Term Loan from Export - Import Bank of India amounting to Rs. 2,067 lacs (Previous Year : Rs. 2,325 lacs) is secured by first pari passu charge on the entire fixed assets of the Company both present and future, second pari passu charge on current assets of the company, Corporate guarantee from S D Agchem, Belgium, personal guarantees by two directors, and by pledge of promoter's share in the name of Mr. Shalil Shroff held in the Company.
- Further, under restructuring arrangement cash credit of Rs. 1,578 lacs (Previous year Rs. 1,578 lacs as cash credit) has been converted into working capital long term loan. The same is secured by first pari passu charge on the entire fixed assets of the Company both present and future, second pari passu charge on current assets of the company, both present and future, personal guarantees by two directors, and by pledge of promoter's share in the name of Mr. Shalil Shroff held in the Company.
- Under restructuring arrangement with Central Bank of India, Short Term Loan is converted into Medium Term Loan amounting to Rs.2,473 lacs (Previous Year :Rs. 2,500 lacs) and is secured by way of collateral first charge on fixed assets of the company and second pari passu charge on the current assets of the Company and also by personal guarantees of one of the director.
- Under restructuring arrangement with ICICI Bank Limited, Short Term Loan is converted into Medium Term Loan amounting to Rs.1,147 lacs (Previous Year: Rs. 1,299 lacs) and is secured by subservient charge on fixed assets and current assets of the Company.
- Term Loan taken from State Bank of India amounting to Rs. 2,143 Lacs (Previous Year:Rs 2,661 Lacs) is secured by Pledge of Shares of Sintesis Quimica SAIC along with corporate guarantee given and First Charge over entire fixed assets of the company including immovable Property.
- Term Loan taken from the Exim Bank amounting to Rs. 1,899 lacs (Previous Year : Rs. 621 Lacs) is secured by Pari Passu Pledge of shares of borrowers SD Agchem (Netherlands) BV held by SD Agchem (Europe) NV, Belgium along with Corporate guarantee of S D Agchem (Europe) NV,Belgium.



- 8 Term Loan taken from Exim Bank amounting to Rs. 7,037 lacs (Previous Year : Rs. 8,386 lacs) secured by Pari Passu first charge on the entire fixed assets and Intellectual Property Rights (IPR's) of Agrichem BV and is also secured by pari passu pledge of shares and Escrow dividend payments of Agrichem BV along with corporate guarantee of Punjab Chemicals and Crop Protection Limited ("PCCPL") and S D Agchem (Europe) NV,Belgium.
- 9 Term Loan taken from the Bank of India amounting to Rs. 1,188 lacs (Previous Year : Rs. 667 lacs) is secured by Pari Passu Pledge of shares of SD Agchem (Netherland) I BV held by SD Agchem (Europe) NV ,Belgium along with Corporate guarantee of S D Agchem (Europe) NV,Belgium.
- 10 Term Loan taken from Bank of India amounting to Rs. 7,692 lacs (Previous Year : Rs. 8,330 lacs) secured by Pari Passu first charge on the entire fixed assets and Intellectual Property Rights(IPR's) of Agrichem BV and is also secured by pari passu Pledge of shares and Escrow dividend payments of Agrichem BV along with corporate guarantee of PCCPL and S D Agchem (Europe) NV,Belgium.
- 11 Term Loan taken from Banco Nacion de la Argentina (Argentina National Bank) amounting to Rs. 194 lacs (Previous Year: Rs. Nil) 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.
- 12 Term Loan taken from Banco Santander Rio amounting to Rs. 414 lacs (Previous Year: Rs. Nil) 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.
- 13 The company has entered into an consortium agreement with State Bank of India (SBI) as lead bank, EXIM Bank, Bank of Baroda and Union Bank of India for cash credit and working capital demand loan. Under consortium agreement, cash credit and working capital facilities are secured by way of Hypothecation of entire Current Assets, present & future on a pari passu basis with other members of the Consortium and collateral second charge on the movable fixed assets situated at Derabassi and Lalru in the state of Punjab, MIDC-Tarapur, Pimpri-Pune, Lote Parshuram-Chiplun in the state of Maharashtra.
- 14 Credit limits of Rs. 6,973 lacs (Previous Year : Rs.4,923 lacs) with State Bank of India are secured under above consortium agreement. Further, under restructuring, SBI has taken over term loan of Rs 609 lacs availed from HDFC Bank Ltd and AXIS Bank and converted into working capital demand loan. Also Term loan of Rs. 56 lacs (Previous year : Rs Nil) from SBI is secured under above consortium agreement.
- 15 Under restructuring arrangement with Union Bank of India, Cash credit has been converted into Cash credit and working capital demand loan of Rs. 1,652 lacs (Previous Year : Rs. 2,473 lacs) and Rs. 892 lacs (Previous year : Rs. Nil) respectively and is secured by security provided under consortium agreement as mentioned above in addition to specific charge for working capital demand loan on Pharma division located in Lalru.
- 16 Under restructuring arrangement with Export-Import Bank of India, Cash credit has been converted into Cash credit and working capital demand loan of Rs.1,450 lacs (Previous Year : Rs. 1,450 lacs) and is secured by personal guarantees of two directors, and by pledge of promoter's share in the name of Mr Shaili Shroff held in the Company in addition to security provided under consortium agreement as mentioned above.
- 17 Under restructuring arrangement with Bank of Baroda, packing credit has been converted into working capital demand loan of Rs. 2,705 lacs (Previous year Rs 3,053 lacs as packing credit) and is secured by way of first charge on Pharma division located in Lalru and second charge on stock, book debts and fixed assets of the company in addition to security given under consortium agreement. Further, Cash credit of Rs. 4,630 lacs (previous year Rs. 4,265 lacs) is secured by security given under consortium agreement.
- 18 Cash credit from Indian Overseas Bank of Rs. 348 lacs (Previous Year : Rs. Nil) is secured by Hypothecation of plant and machineries, stock and book debts and pledge of factory building and office premises of Parul Division in Vadodara.
- 19 Cash Credit of Rs. 249 Lacs (Previous Year: Rs. 150 lacs) are secured by way of pledge of bills/invoices routed through bank for collections/realisation from the drawees
- 20 Loans from HDFC Bank Limited under Vehicle Finance Schemes amounting to Rs.18 lacs (Previous Year : Rs. 56 lacs) are secured by exclusive charge by way of hypothecation of vehicles under the said Schemes.
- 21 Loan from Housing Development Finance Corporation Limited for Rs.38 lacs (Previous Year : Rs.46 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.
- 22 Loan from Kotak Mahindra Prime Ltd under Vehicle Finance Scheme amounting to Rs. 63 lacs (Previous Year : Rs. 103 lacs) is secured by exclusive charge by way of hypothecation of vehicle under said Scheme.
- 23 Loan from TATA Capital Limited under Vehicle Finance Scheme amounting to Rs.1 lacs (Previous Year :Rs. 3 lacs) is secured by exclusive charge by way of hypothecation of vehicles purchased under the said Scheme.
- 24 The finance lease obligation of Rs. 106 lacs (Previous Year : Rs. 74 lacs) is secured by the plant and machinery and vehicles taken under the said lease.
- 25 Housing Loan form ICICI Bank Ltd amounting to Rs. 83 lacs (Previous Year : Rs. 98 lacs) is secured by a first charge by way of mortgage of residential flat situated at Mumbai.

SCHEDULE "D"**Rs. in lacs**

	As at 31st March, 2011	As at 31st March, 2010
UNSECURED LOANS		
Fixed Deposits	590	481
[Amount repayable within one year: Rs. 336 lacs (Previous Year: Rs.218 lacs)]		
Inter-corporate Deposits	963	2,409
[Amount due within one year Rs. 963 Lacs (Previous Year: Rs. 1,919 lacs)]		
Short Term Loan from Banks	2,522	1,061
Loan from Others	709	1,626
[Amount due within one year Rs. NIL (Previous Year: Rs.NIL)]		
Interest Accrued And Due	49	28
Loan from Housing Development Finance Corporation Limited.	4	5
(Guaranteed by the Director of the Company) (Refer Note no.6 of the Schedule T)		
[Amount repayable within one year: Rs. 1 lac (Previous Year: Rs. 1 lac)]		
TOTAL	4,837	5,610

SCHEDULE "E"
FIXED ASSETS

(Rs. in lacs)

	GROSS BLOCK (COST OR VALUATION)					DEPRECIATION/ AMORTISATION					NET BLOCK			
Description of Assets	As at 1st April 2010	On Amalgamation (Note 1)	Revaluation (Note 1)	Adjustment/ Additions during the year	Deductions during the year	Foreign Exchange Adjustment	As at 31st March, 2011	As at 1st April, 2010	On Amalgamation (Note 1)	For the year (Note 3)	Adjustment/ Deductions during the year	Foreign Exchange Adjust-ment	As at 31st March, 2011	As at 31st March, 2010
Goodwill	2,568	-	-	44	196	-	2,416	-	-	-	-	-	2,416	2,568
Tangible Assets														
Freehold Land	1,053	-	5,265	-	772	(804)	4,742	188	-	-	182	(193)	4,929	865
Leasehold Land	43	2	595	296	-	(2)	934	1	-	23	-	-	910	42
Buildings	7,237	149	4,812	1,208	210	741	13,937	1,343	39	935	6	156	11,470	5,894
(Note 4,9 & 10)														
Plant & Machinery	18,525	229	-	776	826	(927)	17,777	8,519	142	834	517	(280)	8,698	10,006
(Note 5 & 9)														
Electric Installations	451	-	-	8	6	-	453	231	-	15	-	-	246	220
(Note 9)														
Furniture, Fixture & Equipments	1,109	56	-	188	9	615	1,959	1,233	43	116	10	52	1,434	(124)
Vehicles	671	29	-	15	19	(35)	661	441	17	64	11	(21)	490	230
Intangible Assets														
Computer Software	83	-	-	-	-	-	83	78	-	4	-	-	82	1
(Note 6)														5
Computer License	10	-	-	143	-	-	153	9	-	49	-	-	58	1
(Note 7)														2
Formation Expenses	7	-	-	-	-	1	8	5	-	2	-	(1)	6	
Product Registration														
(Note 8)	21,314	-	-	1,450	-	913	23,677	4,588	-	2,296	-	214	7,098	16,726
Assets Taken on Lease														
(Note 2)														
Plant & Machinery	78	-	-	33	-	-	111	5	-	7	-	1	13	73
Furniture, Fixture & Equipments	4	-	-	-	-	-	4	2	-	2	-	-	4	2
Computer License	19	-	-	-	-	-	19	19	-	-	-	-	19	-
Vehicles	-	-	-	27	-	-	27	-	-	5	-	-	5	-
Total	53,172	465	10,672	4,188	2,038	502	66,961	16,662	241	4,352	726	(72)	20,457	36,510
Capital Work in Progress (Including Capital Advances)														1,133
Less: Adjusted with Business Reconstruction Reserve (Note 1 and 3)										962			2,990	-
Net Adjusted with Business Reconstruction Reserve (Note 1 and 3)													940	1,133
Total										3,390			47,444	37,643
Previous Year	48,617	472	-	7,354	402	(2,869)	53,172	13,933	246	3,257	172	(602)	16,662	-

Notes:

- Refer Note no. 14 of Schedule "T"
- Refer Note no. 19 of Schedule "T"
- Depreciation for the year includes depreciation on revaluation part of building of Rs. 303 lacs and Rs. 180 lacs for the year ended March 31, 2010 and March 31, 2011 respectively and on revaluation part of leasehold land Rs. 8 lacs each for the year ended March 31, 2010 and March 31, 2011. This has been adjusted with business reconstruction reserve.
 - Includes Rs. 1,054 lacs [Revalued] (Previous Year : Rs. 210 lacs) worth of building given on operating lease.
 - Building include investment representing ownership of Office Premises and Residential Flats in Co-operative Societies.
 - Refer Note no. 5 of Schedule "T"
- Includes Rs. 82 lacs (Previous Year : Rs. 82 lacs) worth of Plant and Machinery acquired under UNIDO Grant Scheme.
 - Remains period of amortisation ranges from 2 to 12 months.
 - Remains period of amortisation ranges from 12 months.
 - Product Registration includes testing and data access and other product registration related expenses.
 - Remains period of amortisation ranges from 85 to 119 months.
 - Plant & Machinery having gross block of Rs.126 lacs & accumulated depreciation of Rs.13 lacs and Electrical Installation having gross block of Rs.7 lacs and accumulated depreciation of Rs.2 lacs has been reclassified as building.
 - Freehold Land having gross block of Rs.772 lacs & accumulated depreciation of Rs.182 lacs has been reclassified as building.
 - Refer Note no. 8 of Schedule "T"





SCHEDULE "F"

(Rs. in lacs)

	As at 31st March, 2011	As at 31st March, 2010
INVESTMENTS		
In Shares (Non Trade):		
Quoted [Market value: Rs.504 lacs (Previous Year: Rs.179.69 lacs)]	1	383
Unquoted	14	16
		399
In Subsidiary Companies (Unquoted) (Non Trade) (Refer Note No. 2(d) in Schedule "T")	15	616
	630	
In Associate Companies (Unquoted) (Non Trade) (Refer Note No. 2(f) in Schedule "T")	786	751
Other Investments (Unquoted) (Non Trade)	45	45
In Mutual Fund [NAV: Rs.77 lacs (Previous Year: 75 Lacs)]		
In Government Securities & Tax Free Bonds	4	-
TOTAL	1,480	1,811

SCHEDULE "G"

	As at 31st March, 2011	As at 31st March, 2010
INVENTORIES		
(At cost or net realizable value, whichever is lower)		
Stores and Spares (Including fuel)	723	310
Packing Materials	714	478
Stock in trade :		
(a) Raw Materials [Including Stock -in-transit Rs. 65 lacs (Previous Year: Rs. 132 lacs)]	3,505	4,421
(b) Semi-finished Products	602	707
(c) Finished Products [Including Stock-in-transit Rs. 384 lacs (Previous Year : Rs. 308 lacs)]	6,077	7,182
(d) Traded Goods [Including Stock-in-transit Rs. 50 lacs (Previous Year : Rs. NIL)]	565	575
	10,749	12,885
TOTAL	12,186	13,673

SCHEDULE "H"

	As at 31st March, 2011	As at 31st March, 2010
SUNDRY DEBTORS - Unsecured		
Debts outstanding for a period exceeding six months :		
i) Considered Good	5,605	6,734
ii) Considered Doubtful	2,080	533
	7,685	7,267
Less : Provision for Doubtful Debts	2,080	533
	5,605	6,734
Other Debts		
i) Considered Good	12,794	10,746
ii) Considered Doubtful	15	50
	12,809	10,796
Less : Provision for Doubtful Debts	15	50
	12,794	10,746
TOTAL	18,399	17,480

SCHEDULE "I"

	As at 31st March, 2011	As at 31st March, 2010
CASH AND BANK BALANCES		
Cash Balance on hand	15	19
Bank Balances :		
With Scheduled Banks:		
On Current Accounts	675	1,818



SCHEDULE "I" CONTD.

	As at 31st March, 2011	As at 31st March, 2010
On Deposit Account	264	585
On Unpaid Dividend Account	26	27
On Unclaimed Fractional Share Account	7	7
With Others		
On Current Accounts	750	329
On Deposit Account	51	-
Cheques on hand	17	3
TOTAL	1,805	2,788

SCHEDULE "J"

	As at 31st March, 2011	As at 31st March, 2010
OTHER CURRENT ASSETS		
Interest Receivable	9	52
Job Work Charges Receivable	11	14
Export Benefits Receivable	275	187
Other Receivable	1	296
TOTAL	296	549

SCHEDULE "K"

	As at 31st March, 2011	As at 31st March, 2010
LOANS AND ADVANCES		
(Unsecured and Considered Good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	1,950	5,804
Considered Doubtful	1,138	16
	3,088	5,820
Less: Provision for Doubtful Advances	1,138	16
	1,950	5,804
Advance to Subsidiaries	298	102
Balances with customs, excise, etc	664	445
Sundry Deposits	142	110
Input Vat Adjustable / Receivable	184	-
Advance Tax (net of provision)	282	191
Inter Corporate Deposit	57	57
TOTAL	3,577	6,709

SCHEDULE "L"

	As at 31st March, 2011	As at 31st March, 2010
CURRENT LIABILITIES		
Acceptances	241	488
Sundry Creditors	14,940	10,950
Book Overdraft	175	444
Advance from Customers	688	896
Forward/Derivatives MTM (Mark-to-Market)	30	242
Investor Education and Protection Fund shall be credited by the following amounts : (as and when due)		
i) Unclaimed Dividends	25	27
ii) Unclaimed Fractional Shares	8	8
iii) Unclaimed Deposits	0.5	1
iv) Unclaimed accrued Interest	0.1	0
	34	36
Security Deposits	299	275
Interest accrued but not due on loans	77	120
Other Liabilities	2,052	1,244
TOTAL	18,536	14,695

**SCHEDULE "M"****(Rs. in lacs)**

	As at 31st March, 2011	As at 31st March, 2010
PROVISIONS		
Employee Retirement & other Long term Benefits (Refer Note No. 18 in Schedule T)	852	770
Provision for Income tax [net off advance tax]	90	43
TOTAL	942	813

SCHEDULE "N"

	Current Year	Previous Year
OTHER INCOME FROM OPERATIONS		
Job Work Income [Tax Deducted at Source Rs.6 lacs (Previous Year : Rs.5 lacs)]	441	433
Micronising and Handling Charges	92	240
Export Benefits [Net of Written off Rs.24 Lacs (Previous Year: Rs. 179 Lacs)]	407	137
Exchange Difference (Net)	563	-
Income in respect of Government/Other Grants	4	4
Miscellaneous Income	211	187
TOTAL	1,718	1,001

SCHEDULE "O"

	Current Year	Previous Year
OTHER INCOME		
Interest (Gross) [Tax Deducted at Source : Rs. 4.36 lacs (Previous Year : Rs. 2 lacs)]	97	135
Income from Long-term Investments (Gross) :		
Dividend on other than Trade Investments	22	30
Insurance Claim Received	78	-
Profit on Sale of Investment (net)	299	-
Commission	3	130
Service Charges	37	37
Profit on Sale of Export Licenses (net)	-	59
Profit on Sale of Fixed Assets (net)	578	25
Provision for Doubtful debts written back	32	-
Rent received	35	25
TOTAL	1,181	441

SCHEDULE "P"

	Current Year	Previous Year
MATERIALS		
(INCREASE) / DECREASE IN STOCKS		
<u>Closing Stocks</u>		
Finished Products	(6,077)	(7,182)
Semi-finished Products	(602)	(707)
Traded Goods	(565)	(575)
	(7,244)	(8,464)
Add: Obsolete Inventory adjusted with Business Reconstruction Reserve (Refer Note No. 14 (B) of Schedule T)	40	-
	(7,284)	(8,464)
<u>Opening Stocks</u>		
Finished Products	7,131	7,225
Semi-finished Products	694	839
Traded Goods	599	1,627
	8,424	9,691
(Increase)/Decrease in Excise duty on Stocks (Refer Note No.21 of Schedule T)	(17)	180
Stocks destroyed due to fire	-	(313)
A	1,123	1,094



SCHEDULE "P" CONTD.

(Rs. in lacs)

		Current Year	Previous Year
RAW MATERIALS CONSUMED			
Opening Stock		4,484	5,952
Add : Purchases		34,294	30,330
		38,778	36,282
Less:			
Sale of Raw Materials		185	129
Closing Stock		3,505	4,421
		3,690	4,550
Add: Obsolete Inventory adjusted with Business Reconstruction Reserve		46	-
(Refer Note No. 14 (B) of Schedule T)		3,736	31,732
Materials destroyed due to fire		-	(89)
	B	35,042	31,643
Foreign Exchange Movement	C	121	(826)
	D	3,645	3,929
PURCHASE OF TRADED GOODS			
TOTAL (A+B+C+D)		39,931	35,840

SCHEDULE "Q"

	Current Year	Previous Year
PERSONNEL EXPENSES		
(Refer note 8 (a) in schedule T)		
Salaries, Wages, Bonus and Allowances	6,765	5,778
Contribution to Provident Fund and Other Funds (Refer Note No. 18 in Schedule T)	351	327
Employee Retirement & other long term Benefits (Refer Note No. 18 in Schedule T)	426	503
Amortisation of expenditure on Voluntary Retirement Scheme	-	71
Staff Welfare Expenses	1,465	1,183
	9,007	7,862
Less: Adjusted with Business Reconstruction Reserve (Refer Note No. 14 (B) in Schedule T)	1,804	-
TOTAL	7,203	7,862

SCHEDULE "R"

	Current Year	Previous Year
OPERATING AND OTHER EXPENSES		
Stores and Spares Consumed	232	215
Power and Fuel	3,275	2,544
Repairs & Maintenance -Plant & Machinery	766	544
(Net of Rs. Nil lacs (Previous year: Rs 198 lacs) of Repair transferred to Insurance Claim)		
Repairs & Maintenance - Buildings	51	51
Repairs & Maintenance - Others	63	59
Rent	274	206
Rates and Taxes	711	401
Insurance Charges	337	367
Bad Debts written off	1,754	234
Postage, Telegrams and Telephones	107	125
Travelling and Conveyance	650	700
Vehicles Expenses	112	78
Commission on Sales (other than sole selling agents)	125	192
Discount on Sales	137	121
Packing Expenses	875	1,044
Freight and Handling Expenses	1,284	1,070



Job Work Expenses	127	114
Directors Sitting Fees	2	5
Charity and Donations(Other than Political Parties)	5	5
Write off of fixed assets	174	38
Provision for doubtful debts [Net off Provision for Doubtful Debt written back for Rs. Nil lacs (Previous Year : Rs. 19 lacs)]	1,558	256
Research and Development Expenses (Refer Note No.13 of Schedule T)	60	88
Provision for Loss on derivative contract (MTM)	29	59
Exchange Difference (net)	-	963
Provision for Doubtful Advances (net)	1,122	-
Marketing & Promotional Expenses	186	173
Loss on Sale of Investment	-	2
Other Expenses (Refer Note No.8 (b) & 9 in Schedule T)	2,077	2,350
[Net of Rs Nil (Previous Year:Rs. 194 lacs) of Loss of Fixed assets destroyed transferred to Insurance Claim		
	16,093	12,004
Less: Adjusted with Business Reconstruction reserve (Refer Note No. 14 (B) in Schedule T)	2,063	-
TOTAL	14,030	12,004

SCHEDULE "S"**(Rs. in lacs)**

	Current Year	Previous Year
INTEREST AND OTHER FINANCIAL COSTS		
Interest on Loans/ Deposits	2,881	3,197
Interest on Cash Credit Accounts	3,598	2,511
Interest on Others	273	331
Exchange Difference of Borrowings	-	105
Other Charges	505	467
	7,257	6,611
Less: Adjusted with Business Reconstruction Reserve (Refer Note No. 14 (B) in Schedule T)	2,569	-
TOTAL	4,688	6,611

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT**SCHEDULE "T"****NOTES TO ACCOUNTS****1. Nature of Business Operations**

Punjab Chemicals and Crop Protection Limited is engaged in business of agro chemical and is manufacturing technical grade and formulating pesticides, herbicides, fungicides and biocides. The Company has presence in both the domestic and international markets.

2. Significant Accounting Policies**Basis of preparation**

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

Principles of Consolidation

- The Consolidated Financial Statements comprise of financial statements of Punjab Chemicals & Crop Protection Limited ('the Holding Company'), its subsidiaries and joint venture companies referred in Note (c) below ('the Group'). Subsidiaries are those companies in which Punjab Chemicals & 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.
- 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 (Accounting Standards) Rules, 2006 (as amended), except as given in Note (f) below.

(c) The subsidiaries / Joint Venture of the Holding Company considered in the consolidated financial information are as given below:

<u>Sr.No.</u>	<u>Name of the Company</u>	<u>Relationship</u>	<u>Country of Incorporation</u>	<u>% of Group Holding as at March 31, 2011</u>	<u>% of Group Holding as at March 31, 2010</u>
1	STS Chemicals (UK) Limited	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%	98%
4	SD Agchem (Netherlands) I B.V.	Subsidiary	Netherlands	100%	100%
5	Agrichem B.V.	Subsidiary	Netherlands	100%	100%
6	Parul Chemicals Limited*	Subsidiary	India	-	70%

* Amalgamated with the holding company in the current year with effect from April 1, 2009. (Refer Note 14 of Schedule T)

Additional shares acquired during the year.

7	Stellar Marine Paints Limited	Joint Venture	India	45%	45%
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- (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, 2011.
- (iii) Sintesis Quimica S.A.I.C: 98% is held by S D Agchem (Europe) N.V. and 2% by STS Chemicals (UK) Limited as at March 31, 2011.
- (iv) SD Agchem (Netherlands) I B.V. is a wholly owned subsidiary of S D Agchem (Europe) N.V as at March 31, 2011.
- (v) Agrichem B.V. is a wholly owned subsidiary of SD Agchem (Netherlands) I B.V. as at March 31, 2011.
- (d) 100% subsidiary companies viz., Agrichem Polska SP. Z O.O., Poland, N.V. Agricultural Chemicals, Belgium and Agrichem Helvetia GMBH, Switzerland have not been considered for consolidation as they are considered to be insignificant to the consolidated financial statements.
- (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 31st March, 2011 has been considered for preparation of the aforesaid consolidated financial statements.
- (f) For the purpose of consolidation, the Group has not followed Accounting Standard (AS) - 23 'Accounting for Investments in Associates' in respect of Source Dynamic LLC, US, Nedab Aps, Denmark, and Kapchem Limited, Ireland. (Refer Note No. 7 below)
- (g) 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, 2011; 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 the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company i.e. March 31, 2011.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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, actual results could differ from these estimates.

Fixed Assets

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation/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.



Depreciation

- i) Depreciation is provided based on the estimated useful life of the assets, which have been determined by the management or schedule XIV of the Companies Act, 1956 as stated below:

Sr. No.	Name of the Company and Description of Assets	Method	Useful Life of Assets/ Depreciation rates
1	Punjab Chemicals and Crop Protection Limited & Stellar Marine Limited		
	Buildings	S.L.M.	*
	Plant & Machinery	S.L.M.	*
	Electric Installations	S.L.M.	*
	Furniture, Fixture & Equipments	W.D.V.	*
	Vehicles	W.D.V.	*
2	Sintesis Quimica S.A.I.C.		
	Buildings	S.L.M.	2%
	Furniture & Fixtures	S.L.M.	10% - 33%
	Plant & Machinery	S.L.M.	10%
	Motor Vehicles	S.L.M.	20%
3	SD Agchem (Netherlands) I.B.V., SD Agchem (Europe) N.V. & Agrichem B.V.		
	Buildings	S.L.M.	4%, 10% -20%
	Plant & Machinery	S.L.M.	10%, 20%
	Other Fixed Assets	S.L.M.	20%
4	STS Chemicals (UK) Limited		
	Furniture & Fixtures	W.D.V.	25%

* At the rates as applicable to the respective assets as specified in Schedule XIV of the Indian Companies Act, 1956

- ii) The premium on leasehold land is amortized over the period of lease.
 iii) Fixed Assets costing Rs. 5,000/- or less are fully depreciated in a year from acquisition.

Amortization

- i) Intangible Assets are stated at cost less accumulated amortization
 ii) Cost of Computer Software/License is amortized on straight line basis over a period of three years.
 iii) 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.

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.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/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.

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 charged directly against income. 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 or the lease term.



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 Profit and Loss account 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 Profit and Loss Account. Costs including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage etc are recognized immediately in the Profit and Loss Account.

Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and 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.

Inventories

(a) Punjab Chemicals and Crop Protection Limited, S D Agchem (Netherlands) I B.V. and Agrichem B.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 moving weighted average basis in two units situated at Punjab and on a weighted average basis in other units.
- ii) Traded Goods are valued at lower of cost or net realizable value.
- 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.

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 sale tax and VAT.

Income from Services

Income from service 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

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

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

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 carried forward when its future recoverability can reasonably be regarded as assured.



Export Benefits

Raw Material imported duty free under Advance License are accounted for inclusive of Custom Duty. Benefits are accrued post export obligation fulfillment and classified under "Export Benefits" in "Other Income from Operations".

Post Exports, benefits accrued under the Duty Entitlement Pass Book Scheme (DEPB) and Duty Free Replenishment Certificate (DFRC) Scheme has been classified under the head 'Export Benefits' in "Other Income from Operations".

Retirement and Other Employee Benefits:

(a) Punjab Chemicals and Crop Protection Limited & Parul Chemicals 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 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.

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.

- ii) 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 profit and loss account as income or expense.

(b) S D Agchem (Netherlands) I B.V. and Agrichem B.V.

Defined Contribution Plans

The pension plans are financed by payments to the insurance company. The pension liabilities are valued according to the 'valuation to pension approach'. In this approach, the contribution payable to the pension fund administrator (the insurance company) is charged to the profit and loss account.

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

Foreign currency monetary items are reported using the closing rate.

iii) Exchange Differences

Exchange difference arising on a monetary item that, in substance, form part of the company's net investment in a non integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

Exchange differences, in respect of accounting periods commencing on or after December 7, 2006 arising on reporting of a long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long term asset / liability but not beyond accounting period ending on or before March 31, 2011.



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) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

Government/Other Grants

Punjab Chemicals and Crop Protection Limited

- 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 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

Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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.

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.

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.

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.

Cash and Cash equivalents

Cash and cash equivalents in the balance sheet 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.

Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

3. During the previous year, there was a fire at one of the plants of Agro Chemicals Division, Derabassi, for which the company has during the year received insurance claim of Rs. 619 lacs towards the same which has been disclosed under the head "Exceptional Income".

	Current Year	(Rs. in lacs) Previous Year
4. a) Contingent Liabilities not provided for:		
i) Bills of Exchange discounted	-	266
ii) Claims against the Company not acknowledged as debts :		
- Excise duty matters in dispute or under appeal	149	10
- Income Tax matters in dispute or under appeal	61	15
- Demand raised by Sales Tax Authorities	11	42
- Labour laws matters in dispute or under appeal	203	9
- Demand raised by previous land owners	327	284
- Other Matters	6	-
iii) Counter Guarantees given to Banks	328	347
iv) Letter of Credits for imports	-	51

Note : Further cash outflow in respect of 2(ii) above are determinable only on receipt of judgments / decisions pending with various forums / authorities.

b) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for

	552	1,209
5. Gross Block of Building in Schedule 'E' includes Rs. 3,030 lacs [revalued] (Previous Year Rs. 761 lacs) pertaining to the purchase of office premises for which the Company holds right of occupancy and possession. The same is pending conveyance in favor of the Company.		
6. 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.		
7. While preparing the consolidated financial statements, the Group has not recognized the effects of investment in associates on the financial position and operating results of the Group.		

Associate Companies

	Group Holding %	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
1. Nedab Aps, Denmark	50%	9	9
2. Kapchem Limited, Ireland	50%	202	193
3. Source Dynamics LLC	20%	575	549
TOTAL		786	751



8. Amounts capitalized in the respective project cost and excluded from :

- a) Personnel Expenses
i) Plant & Machinery
- b) Legal & Professional Charges
i) Plant & Machinery

	(Rs. in lacs)
Current Year	Previous Year
8	19
-	2

9. Remuneration to the Auditors of the Holding Company (Including Service Tax) :

As a Auditor

- Audit Fee (including fees for consolidation)
- Tax Audit Fee
- Limited Review
- Out-of-pocket expense

	(Rs. in lacs)
Current Year	Previous Year
22	22
3	3
7	7
2	1
-	2
2	-
36	35

As advisor in respect:

- Taxation matters
- Other matters

(A)

Previous Year figures represents and current year's figures includes amount paid to previous auditors.

10. Remuneration to Managing / Wholtime Directors of the Holding Company

- Salaries
- Contribution to Provident and other funds
- House Rent Allowance
- Perquisites*

(A)

(B)

TOTAL (A+B)

	(Rs. in lacs)
Current Year	Previous Year
87	74
20	20
37	37
6	15
150	146
2	4
152	150

Note:- As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

* Evaluated as per Income Tax Rules wherever applicable.

11. Earning Per Share:

- Profit/(Loss) After Taxation as per Profit and Loss Account
- Less: Prior Period Adjustments (net)
- Less: Short provisions for tax of earlier years
- Less: Minority Interest
- Net Profit/(Loss) attributable to equity shareholders
- Nominal value of equity shares (Rs.)

(A)

(A) Basic Earning Per Share:

- Weighted Average Number of Equity Shares outstanding (Nos.)
- Basic Earning per share (Rs.)

(B)

(A)/(B)

(B) Diluted Earning Per Share*:

- Weighted Average Number of Equity Shares outstanding (Nos.)
- Dilutive impact of Equity Share (to be issued) (Nos.) - Weighted Average
- Weighted Average Number of Equity Shares for computing diluted earning per share (Nos.)

(C)

(A/C)

	(Rs. in lacs)
Current Year	Previous Year
(632)	(5,796)
-	-
1	(84)
-	1
(631)	(5,879)
10	10
7,262,185	6,975,906
(8.69)	(84.27)
7,262,185	6,975,906
-	546,082
7,262,185	7,521,988
(8.69)*	(84.27)**



*69293 equity shares to be allotted as per the scheme of arrangement as mentioned in the note 19 (A) (f) have been considered in computation of basic & diluted earning share from beginning of the reporting period. Since the issue of equity shares would decrease the loss per share from continuing ordinary activities, hence, the Potential Equity Shares are considered as "Anti-Dilutive" and the effect of anti - dilutive Potential Equity Shares is ignored in calculating Diluted Earning Per Share.

**Since the conversion of warrants to equity shares during the year would decrease the loss per share from continuing ordinary activities, hence, the Potential Equity Shares are considered as "Anti-Dilutive" and the effect of anti - dilutive Potential Equity Shares are ignored in calculating Diluted Earning Per Share

12. Derivative Instruments and Un hedged Foreign Currency Exposure of Holding Company

Particulars of Derivatives Purpose

Forward contract outstanding as at Balance Sheet date

Sell

Nil (Previous Year: US\$ 4,500,000)

Hedge of expected future sales

Particulars of Unhedged foreign Currency Exposure of the Holding Company as at the Balance Sheet date

Particulars	Currency	Amount	
		Rs. In Lakhs	In FC in Lakhs
(i) Sundry Creditors / Advance from Customers	EUR	105	2
		(131)	(2)
	USD	1,221	27
		(1,088)	(24)
(ii) Sundry Debtors / Advance to Vendors	EUR	518	8
		(388)	(6)
	USD	1,500	34
		(1,081)	(24)

(Figures in bracket represent previous year figures.)

13. Research and Development Expenditure :

	(Rs. in lacs)	
	Current Year	Previous Year
Salaries, Wages and Other related cost of personnel	139	142
Cost of material and services consumed	60	33
Repairs and Maintenance of equipments	60	57
Depreciation on assets used for Research and Development	17	17
TOTAL	276	249

14. Scheme of Arrangement

A) Amalgamation of Parul Chemicals Limited with the Holding Company

- The scheme of arrangement ("the Scheme") pursuant to section 391 to 394 read with section 78 and 100 to 103 of the Companies Act, 1956, for financial restructuring of the Holding Company and amalgamation of the erstwhile Parul Chemicals Limited (PCL) (hereinafter referred to as 'Transferor Company') with Punjab Chemicals and Crop Protection Limited (PCCPL) (hereinafter referred to as 'Transferee Company'), approved by the members at a court convened meeting of PCCPL and as approved by the members of PCL, was subsequently sanctioned by the Hon'ble High Courts of Punjab & Haryana at Chandigarh and High Courts of Gujarat at Ahmedabad vide orders dated 11th March, 2011 and 23rd March, 2011 respectively. Consequently upon the aforesaid approval, the assets and liabilities of PCL have been transferred to and vested in the Holding Company with retrospective effect from April 01, 2009 (the Appointed date). The Scheme has accordingly been given effect to in these accounts.
- Parul Chemicals Limited (PCL), (the amalgamating company) is engaged in Pesticides formulation having plant at Vadodara.
- The arrangement has been accounted for under the "pooling of interest" method referred to in Accounting Standard 14 - Accounting for Amalgamation, as prescribed by the Scheme. Accordingly the assets, liabilities and other reserve of PCL as on April 1, 2009 have been aggregated at their book value as specified in the Scheme. The investment in the equity share capital of the PCL as appearing in the books of the Holding Company has been cancelled and consequently a similar amount has been reduced from the General Reserve Account of the Holding Company.
- Pending approval of the Scheme, the accounts of PCL for the year ended March 31, 2010 were finalized as a separate entity.
- The difference between the amount recorded as share capital to be issued by the Holding Company as consideration for the merger and the amount of share capital (excluding the share capital held by the Holding Company) of the PCL has been adjusted in the General Reserve Account of the Holding Company in accordance with the scheme.
- 69,293 Equity Shares of Rs 10/- each fully paid up are to be issued to the equity share holder of the erstwhile PCL whose names are registered in the register of members on record date, without payment being received in cash. Pending allotment, the face value of such shares has been shown as "Equity Share Suspense Account". The Holding Company has since allotted the shares on May 11, 2011.



- g) From the effective date the authorized share capital of the Holding Company will stand increased to Rs. 1,800 lacs consisting of 17,800,000 Equity shares of Rs 10/- each and 20,000 9.8% Redeemable Cumulative Preference Share of Rs. 100/- each.
- h) All the employees of PCL in service on the effective date shall become the employees of the Holding Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service. The terms and conditions of their employment shall not be less favourable than those subsisting with reference to PCL as at the effective date. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past service of such employees with PCL shall also be taken into account and the Holding Company shall pay the same to such employees as and when due and payable.

B) Financial Restructuring

- i) Further as per the Scheme, the Holding Company has also formulated a scheme of financial restructuring to deal with various costs associated with its organic and inorganic growth plan including debt finance cost, impairment of product registration, etc. Accordingly, upon the Scheme becoming effective, certain fixed assets of the Holding Company have been reinstated at their respective fair values on the basis of the report of valuer appointed by the Holding Company. Consequently, such reinstatement adjustment has been credited to Business Reconstruction Reserve Account ("BRR") of the Holding Company.
- j) The Scheme further provides that the aggregate amount under the BRR created by way of revaluation of fixed assets would be utilised, to the extent considered necessary and appropriate by the Board of Directors of the Holding Company from time to time, to adjust certain expenses and project cost as mentioned in the Scheme until the balance is available in the BRR account.
- k) Accordingly in terms of the Scheme, the Holding Company has revalued its assets comprising of Land and Building and the resultant surplus aggregating Rs. 10,673 lacs has been credited to BRR. The balance of BRR has been utilized towards the following expenses as per the aforesaid scheme:
1. Incremental depreciation aggregating Rs. 499 lacs for the year ended March 31, 2010 and March 31, 2011 on land and building on account of revaluation;
 2. Other finance & professional charges related to loan restructuring amounting to Rs. 343 lacs;
 3. Fixed assets and capital projects written off aggregating to Rs. 2,224 lacs;
 4. Provision of non-recoverable account receivable and obsolete inventory of Rs. 184 lacs related to PCL;
 5. Expenses as deemed appropriate by the Board of Directors on account of unabsorbed production overheads due to under utilization of production capacity and interest expense. These expenses comprise of Payroll expenses Rs. 1,804 lacs, depreciation Rs. 463 lacs, power & fuel Rs. 1,529 lacs, Repair & Maintenance Rs. 201 lacs and interest and finance expenses amounting to Rs. 2,268 lacs; and
 6. Expenses incurred in connection with the Scheme implementation or purposes mentioned there in aggregating to Rs. 19 lacs.

The generally accepted Indian Accounting Standards and principles do not provide for such adjustment of expenses against BRR. Had the Scheme not prescribed aforesaid treatment, the impact would have been as under:

In the Profit and Loss Account Item	Increase/(decrease) Amt in Rs. Lacs (Net of Tax Rs. Nil)* 31-Mar-11
Depreciation	962
Finance Expenses	2,569
Fixed assets and capital project written off	2,224
Payroll Expenses	1,804
Other operating Expenses	1,889
Material Cost (Inventory Written off)	86
Loss before tax	9,534
Provision for Deferred Tax*	Nil
Net Loss	9,534

*No deferred tax has been recognized in the absences of virtual certainty. Refer Note No. 20 of Schedule T.

Earnings Per Share

Basic and Diluted EPS (In Rs)

(139.96)

In the Balance Sheet Item

Amt in Rs Lacs Mar 31, 2011

Revaluation Reserve
Business Reconstruction Reserve
Profit and Loss Account Debit Balance
General Reserve

10,673
Nil
8,146
Nil



15. Segment Reporting

1. Information about Primary Business Segment:

The Company is organized into two Business Segment namely:

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

Rs. in lacs

Particulars	Current Year			Previous Year		
	Chemicals	Bulk Drug and Intermediates	Total	Chemicals	Bulk Drug and Intermediates	Total
Revenue:						
External Revenue	59,729	5,426	65,155	51,322	5,538	56,860
Inter-Segment Sale	446	924	1,370	183	878	1,061
Total Segment Revenue	60,175	6,350	66,526	51,505	6,416	57,921
Elimination	446	924	1,370	183	878	1,061
Total Revenue	59,729	5,426	65,155	51,322	5,538	56,860
Results:						
Segment Results*	3,252	777	4,029	(957)	104	(853)
Unallocated Income	-	-	(321)	-	-	(30)
Interest and Other Financial Charges	-	-	4,688			6,611
Profit before Tax			(338)			(7,434)
Provision for Taxation:						
Current Tax			435			175
Deferred Tax			(141)			(1,813)
Fringe Benefit Tax			-			-
MAT Credit Entitlement			-			-
Profit/(-) Loss after Tax			(632)			(5,796)
Prior period Adjustment						-
Short Provision of Income tax for Earlier Years			1			(84)
Less: Minority Interest						1
Net Profit/(-) Loss after Tax			(631)			(5,879)
Other Information:						
Segment Assets	73,947	9,445	83,392	71,885	6,787	78,672
Unallocable Assets			1,796	-	-	2,001
Segment Liabilities	17,989	1,288	19,277	13,982	1,366	15,348
Unallocable Liabilities			61,551	-	-	60,835
Segment Capital Expenditure	3,237	239	3,476	4,524	234	4,758
Segment Depreciation/Amortization	2,905	254	3,159	3,065	354	3,419
Non Cash expenses other than Depreciation	4,597	11	4,608	514	14	528

* Net of adjustment with Business Reconstruction Reserve



16. Related Parties

a) Relationships :

Other related parties with whom transactions have taken place during the year :

Subsidiaries	1. Agrichem Polska SP. Z O.O, Poland 2. N.V Agricultural Chemicals, Belgoum 3. Agrichem Helvetia GMBH, Switzerland
Associates	1. Source Dynamics LLC, US 2. Nedab APS, Denmark 3. Kapchem Limited, Ireland

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

1. Eftec Shroff (India) Limited
2. Hemsil Trading & Manufacturing Private Limited
3. M/s Chinmaya Metachem
4. M/s Salil Meta Chem

Venturer

Viachem LLC

Key Management Personnel and their Relatives :

Directors

1. Mr. G. Narayana - Chairman
2. Mr. Shail Shroff - Managing Director
3. Mrs. Rupam Shroff - Whole time Director
4. Mr. Avtar Singh - Whole time Director
5. Mr. S.S. Tiwari - Whole time Director
6. Capt. S.S. Chopra (Retd.) - Director

Relative of Directors

1. Mrs. Shaila Shroff
2. Mrs. Mahinder S. Chopra
3. Mrs. Bhupinder Kaur
4. Mr. Rajinder Singh
5. Mrs. Ravinder Kaur
6. Mrs. Rajni S Tiwari
7. Ms. Sonal Tiwari
8. Ms. Shakshi Tiwari
9. Mr. Ramanjor S Tiwari
10. Mr. Mahadev Suvarna
11. Mr. Jaswant Singh
12. Mrs. Manjeet Kaur
13. Ms. Shivani S. Tiwari
14. Ms. Kusum Tiwari

b) The following transactions are carried out with the related parties in the ordinary course of business :

Rs. in lacs

Nature of Transaction	Subsidiaries		Associates		*Other Related Parties		Key Management Personal		Relatives of Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales										
Agrichem Polska SP. Z O.O	157	-	-	-	-	-	-	-	-	-
Reimbursement Received										
Eftec Shroff (India) Limited	-	-	-	-	-	21	-	-	-	-
Repayment / Refund of ICD / Loans										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	-	665	-	-	-	-
Loans / ICD taken / obtained										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	135	460	-	-	-	-
Mr. S. S. Chopra	-	-	-	-	-	-	-	9	-	-
Mrs. Mahinder S Chopra	-	-	-	-	-	-	-	-	7	-
Others	-	-	-	-	-	-	-	-	-	5
	-	-	-	-	135	460	-	9	7	5
Advances Given										
Agrichem Polska SP. Z O.O	2	-	-	-	-	-	-	-	-	-
Nedab APS	-	-	148	-	-	-	-	-	-	-
Kapchem Limited	-	-	10	-	-	-	-	-	-	-
	2	-	158	-	-	-	-	-	-	-



Rs. in lacs

Nature of Transaction	Subsidiaries		Associates		*Other Related Parties		Key Management Personal		Relatives of Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Investments During the Year										
Agrichem Polska SP. Z O.O	1	-	-	-	-	-	-	-	-	-
Preferential Allotment of Shares										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	-	612	-	-	-	-
Forfeiture of Shares										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	-	20	-	-	-	-
Interest Paid										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	62	60	-	-	-	-
Eftec Shroff (India) Limited	-	-	-	-	-	4	-	-	-	-
Others	-	-	-	-	-	-	2	1	3	2
	-	-	-	-	62	64	2	1	3	2
Rent/Service charges etc. (Expense)										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	27	22	-	-	-	-
Shalil Shroff HUF	-	-	-	-	-	-	7	7	-	-
	-	-	-	-	27	22	7	7	-	-
Rent/Service Charges etc. (Income)										
Rent										
Eftec Shroff (India) Limited	-	-	-	-	-	0.23	-	-	-	-
Service Charges										
Eftec Shroff (India) Limited	-	-	-	-	37	37	-	-	-	-
	-	-	-	-	37	37	-	-	-	-
Dividend Paid (Payment basis)										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	-	22	-	-	-	-
Others	-	-	-	-	-	-	-	10	-	6
	-	-	-	-	-	22	-	10	-	6
Managerial Remuneration										
(Refer Note 10 of Schedule "T")										
Mr. Shalil Shroff	-	-	-	-	-	-	43	42	-	-
Ms Rupam Shroff	-	-	-	-	-	-	32	31	-	-
Mr. Avtar Singh	-	-	-	-	-	-	34	35	-	-
Mr. S S Tiwari	-	-	-	-	-	-	40	38	-	-
	-	-	-	-	-	-	149	146	-	-
Remuneration and Other Benefits										
Smt. Shaila Shroff	-	-	-	-	-	-	-	-	4	4
Ms. Ravinder Kaur	-	-	-	-	-	-	-	-	3	3
Others	-	-	-	-	-	-	-	-	1	1
	-	-	-	-	-	-	-	-	8	8
Director Sitting Fees										
Sh.G Narayana	-	-	-	-	-	-	0.20	0.50	-	-
Capt. S S Chopra (Retd.)	-	-	-	-	-	-	0.20	0.30	-	-
	-	-	-	-	-	-	0.40	0.80	-	-
Balance Outstanding as at the year end										
Creditors for Venture										
Viachem LLC	-	-	-	-	3	4	-	-	-	-
Loan outstanding with Directors										
Mr. Shalil Shroff	-	-	-	-	-	-	0.50	0.47	-	-
Sundry Creditors										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	11	-	-	-	-	-
Intercompany Deposit										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	561	426	-	-	-	-



Rs. in lacs

Nature of Transaction	Subsidiaries		Associates		*Other Related Parties		Key Management Personal		Relatives of Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Interest Payable										
HemSil Trading & Manufacturing Pvt Ltd.	-	-	-	-	50	0.43	-	-	-	-
Sundry Debtors										
Agrichem Polska SP. Z O.O	160	-	-	-	-	-	-	-	-	-
Other Advances Recoverable										
Eftec Shroff (India) Limited	-	-	-	-	21	61	-	-	-	-
Agrichem Polska SP. Z O.O	2	-	-	-	-	-	-	-	-	-
Nedab APS	-	-	165	14	-	-	-	-	-	-
Kapchem Limited	-	-	132	121	-	-	-	-	-	-
Fixed Deposit & Interest Payable										
Mrs Kusum Tiwari	-	-	-	-	-	-	-	-	6	6
Ms. Shakshi S. Tiwari	-	-	-	-	-	-	-	-	3	3
Ms. Sonal S. Tiwari	-	-	-	-	-	-	-	-	3	3
Mrs. Mahinder Chopra	-	-	-	-	-	-	-	-	9	-
Other	-	-	-	-	-	-	-	-	10	8
	-	-	-	-	-	-	-	-	31	20

*Enterprise over which key management personnel & their relatives have significant influence and joint venture Company.

17. 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 31st March, 2011 is as under:

	(Rs. in lacs)	
	Current Year	Previous Year
Assets	12	10
Liabilities	45	38
Income	14	12
Expenses	20	17

Nature of Business

Stellar Marine Paints is an American Joint venture company of Punjab Chemicals and Crop Protection Limited into manufacture, domestic sale and export of Antifouling Paints, Marine Paints, Paint Additives and Wood Preservatives from India.

18. Employee Benefits:

(A) Defined Contribution Plan - Provident Fund & Superannuation Fund

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

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the profit and loss account in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Defined Contribution Plan for Holding Company

Contribution to Provident Fund

Defined Contribution Plan for Holding Company

Contribution to Employee Superannuation Fund

	(Rs. in lacs)	
	Current Year	Previous Year
Contribution to Provident Fund	196	170
	(Rs. in lacs)	
	Current Year	Previous Year
Contribution to Employee Superannuation Fund	130	122

(B) Defined Benefit Plans - Gratuity

The Holding 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 Holding 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.

- a) The amounts recognized in the statement of Profit and Loss Account are as follows:

	Gratuity	
	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Current service cost	51	46
Past Service Cost	-	40
Interest cost on benefit obligation	61	48
Expected return on plan assets	(23)	(21)
Net actuarial loss recognized during the year	(60)	62
Amount included under the head payments to and provisions for employees in Schedule 'Q' Personnel Expenses.	29	175
Actual return on plan assets	26	24

- b) The amounts recognized in the Balance Sheet are as follows:

	Gratuity	
	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Present value of funded obligation	792	773
Less: Fair value of plan assets	302	315
Net Liability included under the head Provision for Gratuity in Schedule 'M' - Provisions	(490)	(458)

- c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	Gratuity	
	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Opening defined benefit obligation	764	600
Interest cost	61	48
Past Service Cost	-	40
Current service cost	52	46
Benefits paid	(28)	(27)
Actuarial (gains)/loss on obligation	(56)	66
Closing defined benefit obligation	792	773

- d) Changes in the fair value of plan assets are as follows:

	Gratuity	
	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Opening fair value of plan assets	285	271
Expected return	23	21
Contributions made by employer during the year	12	29
Benefits paid	(22)	(25)
Actuarial gains	3	19.01
Closing fair value of plan assets	302	315
Expected contribution to defined benefit plan for the next year	52	49

- f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	Current Year %	Previous Year %
Investments with insurer under: Policy of Insurance	100.00	100.00

- g) The principal actuarial assumptions at the Balance Sheet date.

	Current Year %	Previous Year %
Discount rate	8	8
Expected rate of return on plan assets	8	8



Employee Turnover	2	2
	6	6
Mortality table	LIC (1994 - 96)	LIC (1994 - 96)
	Ultimate	Ultimate
Proportion of employees opting for early retirement	1% to 3%	1% to 3%
h) 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.		

Amount for the current & previous two periods are as follows:

	2010-11	2009-10	2008-09	2007-08
Defined Benefit Obligation	793	773	583	538.00
Plan Assets	302	315	246	215.00
Surplus / (Deficit)	(490)	(458)	(337)	(323)
Experience Adjustment on Plan Assets	1	3	-	-
Experience Adjustment on Plan Liabilities	(58)	(23)	-	-

19. Leases

(A) Finance Lease

Fixed assets includes Plant & Machinery, Vehicles and Computer softwares & Equipments obtained on finance lease. The Lease term is for various tenures at the end of which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Assets acquired under Finance Lease	161	101
Net carrying amount of assets at the balance sheet date	119	74
Total minimum lease payments at the year end	30	25
Less : Amount representing finance charges	8	8
Present value of minimum lease payment	22	18
Minimum Lease payments:		
Not later than one year [present value Rs. 45 lacs as on 31.03.2011 (Rs. 20 lacs as on 31.03.2010)]	47	25
Later than one year and not later than 5 years [present vale Rs. 61 lacs as on 31.03.2011 (Rs. 54 lacs as on 31.03.2010)]	80	60
Later than 5 years		-

(B) Operating Lease

In case of assets taken on lease

Office premises and godowns are obtained on operating leases for various tenure.

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Lease payment for the year charged to the Profit & Loss Account	274	206

There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no sub-leases

In case of assets given on lease

The company has leased out office premises on operating lease. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements.

Lease rent for the period	34	25
Details of Assets given on lease rent is as below:-		
Gross Block of Asset	1,054	208
Accumulated Depreciation	37	188
Net Block	1,016	19


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

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
*Deferred Tax Assets		
i) Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	907	417
ii) Unabsorbed loss & Depreciation	1,141	1,509
TOTAL	2,048	1,926
Deferred Tax Liabilities		
i) Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	5,988	6,007
ii) On account of Product Registration Expenses	-	-
TOTAL	5,988	6,007

*In case of Standalone financial statement of Punjab Chemicals & Crop Protection Limited 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 DTA of Rs. 2,048 lacs (Previous Year: Rs. 1,926 lacs) has been recognised to the extent of Deferred Tax Liabilities.

21. Excise duty on sales amounting to Rs. 1,969 lacs (Previous Year: Rs. 1,573 lacs) has been reduced from sales in profit & loss account and excise duty on increase/(decrease) in stock amounting to Rs. (17) lacs (Previous Year : Rs. 180 lacs) has been considered as (income)/expense in Schedule "P".

22. Previous Year Comparatives

Previous year's figures have been regrouped / rearranged where necessary to conform to this year's classification.

Signature to Schedule 'A' to 'T'

As per our attached report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & CO.**
Firm registration number: 301003E
Chartered Accountants

G. NARAYANA
Chairman

SHALIL SHROFF
Managing Director

S.S. TIWARI
Whole Time Director

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

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

VIPUL JOSHI
Chief Financial Officer

Mumbai
May 30, 2011

Mumbai
May 30, 2011



PUNJAB CHEMICALS & CROP PROTECTION LIMITED

STATEMENT U/s 212(8) OF THE COMPANIES ACT, 1956 RELATING TO FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turn-over	Profit before Taxation	Provision for Taxation	Prior Period Item (Excess provision for tax)	Profit after Taxation	Proposed Dividend	Rs. in lacs
1	STS Chemicals (UK) Limited	GBP	71.68	1.43	(31.25)	95.00	124.82	0.00	0.00	(2.70)	0.00		(2.70)	0.00	
2	SD Agchem (Europe) NV	EUR	63.42	4221.89	(1216.00)	11451.00	8445.11	0.00	1476.92	(153.17)	34.36		(187.53)	0.00	
3	Sintesis Quimica S.A.I.C	PESO	11.21	224.20	2824.00	10955.00	7906.80	0.00	16449.89	489.37	171.20		318.17	0.00	
4	S D Agchem (Netherlands) I.B.V.	EUR	63.42	11.16	2156.35	5695.33	3527.82	0.00	0.00	(246.70)	(60.36)		(186.34)	0.00	
5	Agrichem B.V (Netherlands)	EUR	63.42	11.16	6399.56	29155.89	22745.17	0.00	17771.45	955.33	148.37		806.96	0.00	
6	N.V Agricultural Chemicals	EUR	63.42	63.42	735.04	980.94	182.48	0.00	1661.10	13.73	(5.90)		19.63	0.00	
7	Agrichem (Helvetia) GmbH	CHF	45.70	63.98	(34.75)	31.60	2.37	0.00	0.00	0.42	0.00		0.42	0.00	
8	Agrichem Polska Sp.z.o.o	EUR	63.42	0.81	3.36	184.97	180.80	0.00	169.65	4.21	(0.85)		3.36	0.00	

Note :-

- The above information is presented in accordance with the general exemption granted by the Ministry of Corporate Affairs, as stated on page no. 5 of the Annual Report.
- Indian Rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, has been given based on the exchange rate as on 31.03.2011.

Place : Mumbai
Date : May 30, 2011

G. Narayana
Chairman

Shaili Shroff
Managing Director

S.S. Tiwari
Whole Time Director

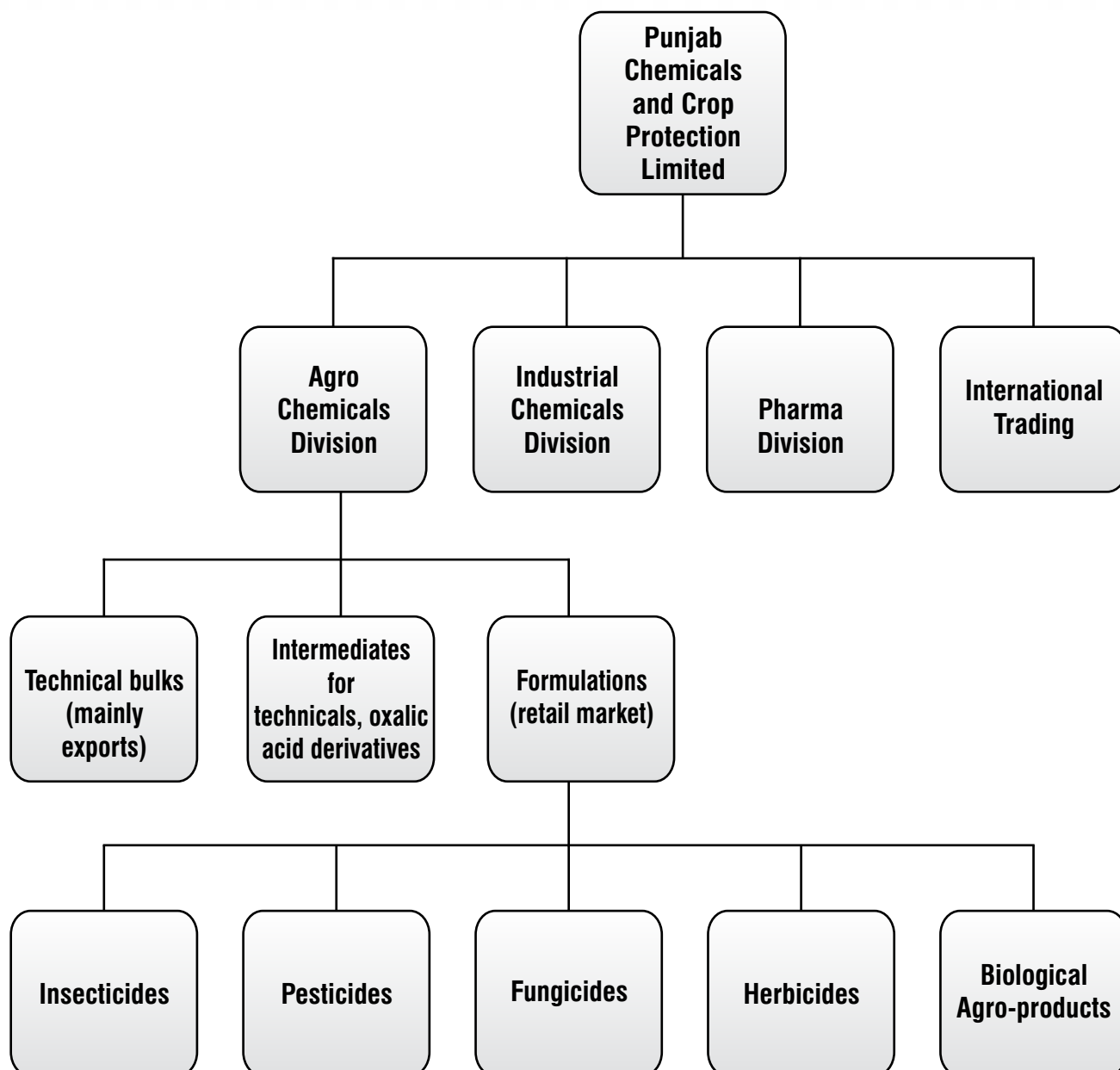
Punit K. Abrol
Sr. Vice President
(Finance) & Company Secretary

Vipul Joshi
Chief Financial Officer



Reaping happiness With a diversified presence

PCCPL is responding to the multi-fold opportunities with a diversified presence across all verticals of the agrochemicals business, i.e., intermediates for technicals and their bulk formulations, small pack branded formulations (insecticides, herbicides, fungicides).





PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Regd. Office : SCO 417-418, Sector 35-C, Chandigarh-160 022

D.P. ID	
Client ID	

L.F. NO.	
No. of Shares held	

ATTENDANCE SLIP

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company held at PHD House, Sector - 31, Chandigarh on Wednesday, the 7th September, 2011 at 11.30 a.m.

NAME OF THE SHAREHOLDER(S) (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

NOTES :

1. You are requested to sign and hand over this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend 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 time for holding the Meeting.



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Regd. Office : SCO 417-418, Sector 35-C, Chandigarh-160 022

PROXY FORM

I/We.....of
..... being a Member/Members
of the above named Company, hereby appoint of
..... or failing him as my/our Proxy to
attend and vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Wednesday, the 7th September, 2011 at 11.30 a.m. and
at any adjournment thereof.

Signed this _____ day of _____ 2011.

Reference Folio No./DPID & Client ID _____

No. of Shares _____

Signature of the Shareholder

Affix Re. 1/-
Revenue Stamp

NOTES:

1. The Proxy, to be effective, should be deposited at the Registered Office of the Company at Punjab Chemicals and Crop Protection Limited, SCO: 417-418, Sector-35-C, Chandigarh not less than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.
2. A Proxy need not be a Member of the Company.



Agro Chemicals Division (Admn. Office)
Derabassi



Agro Chemicals Division (Lawn)
Derabassi



Agro Chemicals Division (Plant)
Derabassi



Pharma Division
Alpha Drug, Lalru



Agro Formulation Division
Sulphur Plant - Chiplun



Industrial Chemical Division
Tarapur



Agri Chem B.V. (Laboratory)
Netherland



Agri Chem B.V. (Plant)
Netherland



Overview of Sintesis Quimica (Plant)
Argentina



Sitting from (L to R): S/Shri Saroj Nayak,
Director, Sintesis Quimica, Argentina,
Sajeeb Babu Kurup- Counsellor, Embassy
of India in Argentina, Avtar Singh, Director
PCCPL, R. Viswanathan- Ambassador of India to
Argentina, Uruguay and Paraguay, Debora Giorgi (Ms.)-
Minister of Industry, Argentina Horacio Cepeda-
Chief of Cabinet, Ministry of Industry



Sintesis Quimica
(Fermentación Plant)
Argentina



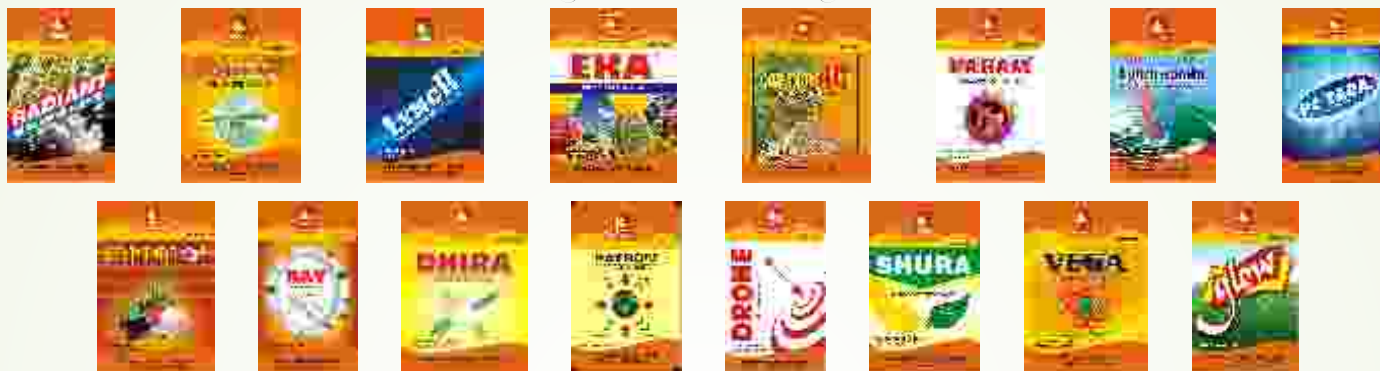
Standing from (L to R) S/Shri Sukhbir Badal,
Deputy Chief Minister of Punjab,
Simmar Pal Singh Bhurjee- General Manager,
OLAM Argentina, Jayant Patil-
Co Operative Minister- Maharashtra,
Saroj Nayak- Director, Sintesis Quimica, Argentina

PCCPL - Branded Agro Formulations

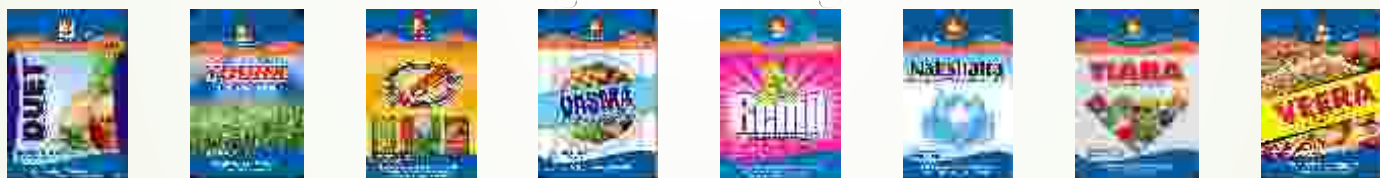


FOR EVERY FARMER. WITH EVERY FARMER™

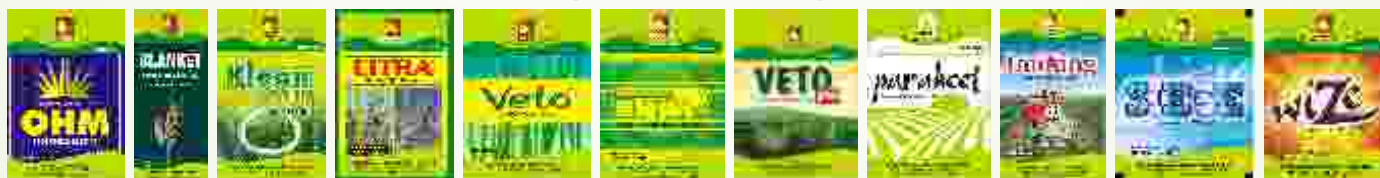
INSECTICIDE



FUNGICIDE



HERBICIDE



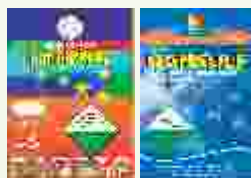
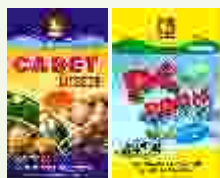
BIO

PGR

SULPHUR

SEED INOCULANT

FERTILIZER



Punjab Chemicals & Crop Protection Limited

www.punjabchemicals.com