

29th ANNUAL REPORT AND ACCOUNTS

2004-2005



**PUNJAB CHEMICALS
AND
CROP PROTECTION LIMITED**

(Formerly known as Punjab Chemicals and Pharmaceuticals Limited)



QUALITY POLICY

We are committed to produce quality products as per customer's requirements & expectations at competitive price with a sincere concern towards environment and employee's welfare. We are also committed for continual improvement on the quality of all the products by setting and reviewing the quality objectives.

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.....

PCPL - Glimpses of Activities



An overview of the Plant



Pilot Plant

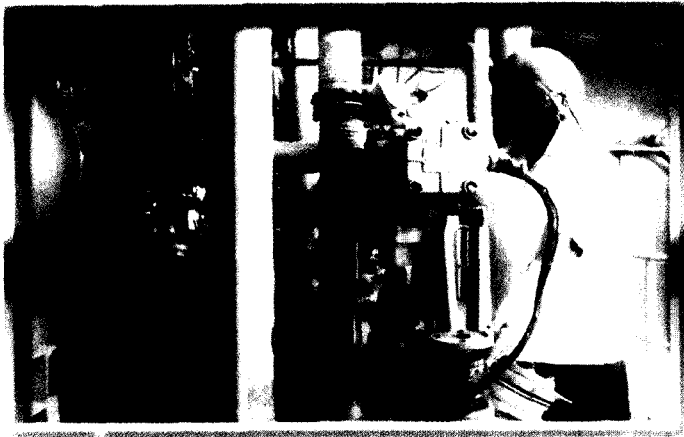


R&D Activity

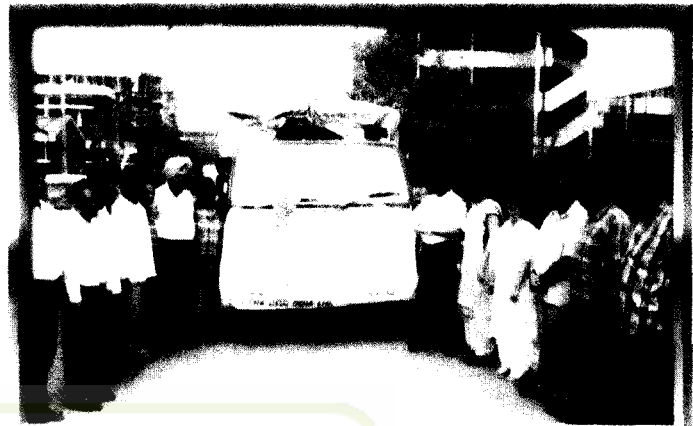


Conference in Progress

PCPL - Glimpses of Activities



Activity in Plant



Relief for Flood Affected Area - a Social Welfare Activity

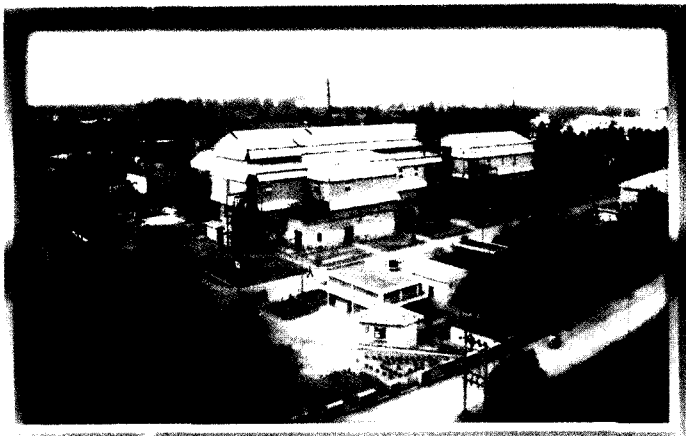


Shareholders Meeting in Progress



Blood donation camp in the memory of Late Sasubhai - the beloved leader and guide

ADIL - A Subsidiary Company



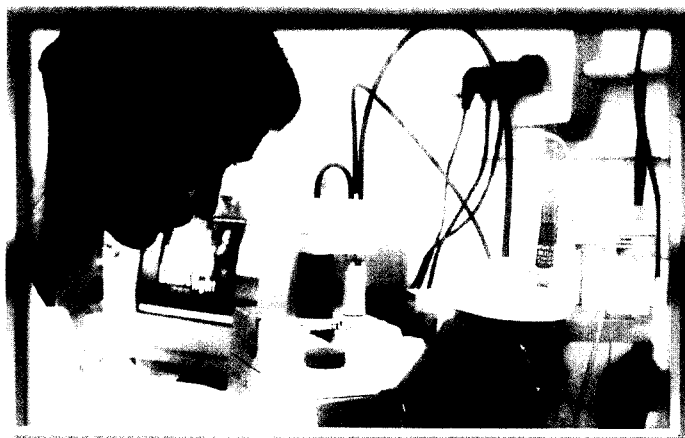
An overview of the Plant



Technical discussion at Plant level



Activity in Plant



R&D Activity

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
I. CAPITAL ACCOUNTS										
A. Share Capital	431.13	215.57	215.57	215.57	215.57	215.57	215.57	215.57	215.57	215.57
B. Reserves & Surplus	2628.89	2238.25	1839.82	1626.78	2217.89	2186.98	2128.72	1536.96	1043.38	967.58
C. Shareholders Funds	3060.02	2453.82	2055.39	1842.35	2433.45	2402.55	2344.29	1752.53	1258.95	1183.15
D. Borrowings	4525.52	3788.29	2538.21	2483.30	2782.07	2947.24	2064.78	1292.46	765.27	878.27
E. Deferred Tax Liability	676.41	507.81	469.02	328.27						
F. Capital Employed	8261.95	6749.92	5062.62	4653.92	5215.52	5349.79	4409.07	3044.99	2024.22	2061.42
G. Gross Block (including CWIP)	5478.09	4839.27	4332.48	3960.05	4102.07	3827.02	3594.95	3135.47	2515.45	2517.60
H. Net Block (including CWIP)	3052.42	2557.87	2208.79	2007.06	2331.00	2241.13	2199.10	1898.34	1398.26	1474.58
I. Investments	496.40	496.40	374.23	374.23	374.23	375.23	375.53	367.53	10.60	2.10
J. Net Current Assets	4108.12	3427.16	2365.99	2229.30	2510.29	2733.42	1834.44	778.72	614.55	583.52
K. Other Non-Current Assets	605.01	268.49	113.61	43.33				0.40	0.81	
L. Debt-Equity Ratio	1.48:1	1.54:1	1.23:1	1.35:1	1.41:1	1.22:1	0.88:1	0.74:1	0.61:1	0.74:1
II. REVENUE ACCOUNTS										
A. Gross Revenue	16918.46	12606.43	10623.97	6935.56	7656.23	7066.02	8729.31	6693.53	3925.46	3373.92
B. Profit / (Loss) Before Taxes	1220.05	725.90	449.03	-272.68	67.12	109.34	761.49	669.33	127.42	-66.83
% of Gross Revenue	7.21	5.76	4.23	-3.93	0.88	1.55	8.72	10.00	3.25	-1.98
C. Profit / (Loss) after Taxes	802.85	521.11	281.78	-194.75	59.62	97.84	711.40	576.57	107.42	-66.83
% of Gross Revenue	4.75	4.13	2.65	-2.81	0.78	1.38	8.15	8.61	2.74	-1.98
D. Return on Shareholder's funds %	26.24	21.24	13.71	-10.57	2.45	4.07	30.35	32.90	8.53	-5.65
III. SHAREHOLDER'S EARNINGS										
A. Earning per Equity Share	18.62	24.17	12.70	-8.56	2.77	4.54	33.00	26.75	4.98	-3.10
B. Dividend per Equity Share (Rs.)	4.00	5.00	2.50	0.00	1.25	1.50	5.00	3.50	1.50	0.50
C. Dividend	172.45	107.78	53.89	0.00	26.95	32.33	107.78	75.45	32.33	10.78
D. Net Worth per Share (Rs.)	56.94	101.37	90.08	83.45	112.88	111.45	108.75	81.28	58.36	54.88



**BOARD OF DIRECTORS**

G. Narayana, Chairman
A.G. Shroff
Vijay Rai
Gurcharan Singh
Mukesh D. Patel
Jagdish R Naik
Capt. S.S. Chopra (w.e.f. 18.08.2004)
Umesh Sanghvi (w.e.f. 18.08.2004)
N.Gopinath (Upto 18.08.2004)
Shalil Shroff, Managing Director
Avtar Singh, Director (Operations & Business Development)

MANAGEMENT TEAM

Shalil Shroff, Managing Director
Avtar Singh, Director (Operations & Business Development)
Punit K Abrol, V.P. (Finance) & Secretary
Veersingh Rajebhosale, V.P.(Exports)
Jain Parkash, V.P. (Works)
Surinder Paul, Dy.General Manager (Technical)
Ravinder Chadha, Dy. General Manager (HR & Admn.)
Dalip Asher, D.G.M. (Commercial)
R.S. Negi, Manager (QA & R&D)

**VICE PRESIDENT
(FINANCE) & SECRETARY**

Punit K Abrol

AUDITORS

J.R. Khanna & Co., Chandigarh

BANKERS

State Bank of India
UTI Bank Ltd.

REGISTERED OFFICE

SCO: 417-418, Sector-35C
Chandigarh - 160 022
Ph.: 0172-2600955, 2603120, 2604127
Fax : 0172-2603621
E-mail: info@chd.pcplsts.com

WORKS

Milestone 18, Ambala-Kalka Road
Bhankharpur (Derabassi)
Distt. Patiala (Punjab)
Ph.: 01762-280086, 280094, 282654
Fax: 01762-280070 Email: factoryinfo@chd.pcplsts.com

CORPORATE OFFICE-MUMBAI

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 6013, 2673 6193
E-mail : stscheme@bom3.vsnl.net.in

NEW DELHI

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Ph.: 011-23314867, 23312406
Fax: 011-23314890
E-mail: pcpldel@satyam.net.in

HYDERABAD

414, Navketan Complex
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52, S.D. Road, Secunderabad
Tel.:040-27805662
Fax: 040-27805663
E-mail: punjabcrop@sify.com



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
(formerly known as Punjab Chemicals & Pharmaceuticals Ltd.)

C O N T E N T S

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Annual General Meeting on 28.12.2005 at 12.00 noon at SCO 417-418, Sector 35-C, Chandigarh 160 022

A REQUEST

We are sure you will read with interest the Annual Report for the year 2004-05. 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.

INFORMATION FOR SHAREHOLDER

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 transfers and transmission, change of address, duplicate/missing share certificates and other matters, please write to Regd. Office or Mumbai Office the Company.

Annual General Meeting

Wednesday, 28th December, 2005 at 12.00 noon.
at the Registered Office of the Company

Registrar and Share transfer Agent

Alankit Assignment Ltd.
RTA Division
2E/21 Anarkali Market
Jhandewalan Extension
New Delhi - 1100 55

Book Closure Dates

20th December, 2005 to 28th December, 2005

Shares of the Company are listed on Ludhiana, Mumbai and Delhi Stock Exchanges 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.pcplsts.com



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
(formerly known as Punjab Chemicals & Pharmaceuticals Ltd.)
Regd. Office : SCO : 417-418, (1st and 2nd Floor), Sector 35-C, Chandigarh - 160 022

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on Wednesday, the 28th December, 2005 at 12.00 Noon at the Registered Office of the Company at SCO 417-418, Sector-35C, Chandigarh-160 022 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 2005, the Balance Sheet as at that date, together with the Directors' Report and the Auditor's Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of **Shri Atul G Shroff**, who retires by rotation and, being eligible, offers himself, for re-appointment.
4. To appoint a Director in place of **Shri Gurcharan Singh**, who retires by rotation and, being eligible, offers himself, for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. **Appointment of Capt. S.S. Chopra, as Director of the Company.**

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

"RESOLVED THAT Capt. S.S. Chopra, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 133 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting and being eligible for re-appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. **Appointment of Shri Umesh Sanghvi, as Director of the Company.**

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

"RESOLVED THAT Shri Umesh Sanghvi, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 133 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting and being eligible for reappointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. **Reappointment of Shri Shail Shroff as the Managing Director of the Company and to fix his remuneration.**

To consider and, if thought fit, to pass with or without modification, the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals as may be necessary, consent of the Company be and it is hereby accorded to the re-appointment of Shri Shail Shroff as the Managing Director of the Company for a term of 3 (three) years with effect from 15.01.2006 to 14.01.2009 on the terms and conditions including remuneration as reproduced in the relevant explanatory statement annexed to the notice of this meeting.

RESOLVED FURTHER THAT the remuneration payable to Shri Shail Shroff as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profit in any financial year, but subject to the ceiling laid down in this behalf in the said schedule XIII."

9. **Creation of mortgage over assets of the Company.**

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

"RESOLVED THAT the consent of the Company be and it is hereby accorded in terms of 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation, from time to time, by the Board of Directors of the Company of such mortgages, charges and hypothecations on such of the assets of the Company, both present and future, as may be decided by the Board in favour of the financial institutions/banks/other lenders/trustees for the holder of debentures/bonds/other instruments which may be issued by the Company, to secure loans, debentures, bonds and other instruments of the Company, provided that the total amount of such loans, debentures, bonds and other instruments so secured by mortgages, charges and hypothecations shall not, at any time, exceed the sum of Rs. 500 crores (Rupees five hundred crores).

RESOLVED FURTHER THAT the mortgage/charge created/to be created and/or all agreements/documents executed/to be executed and all acts done / to be done for creation of first and second charge/joint mortgage in favour of any institution/bank/ lender and by and with the authority of the Board of Directors are hereby confirmed and approved."

10. **To Consider and approve the payment of Sitting Fees/Compensation to Non Executive Directors.**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 309(2) of the Companies Act, 1956 and Clause 49 of the Listing Agreement, entered with the Stock Exchanges of India, Non Executive Directors of the Company including Independent Directors be paid the remuneration by way of fees/compensation for each meeting of the Board or Committee thereof attended by them as per the policy approved and finalized by the Board of Directors of the Company from time to time subject to the maximum limit prescribed under the Companies Act, 1956 or SEBI or any other Statutory/Regulatory Authority."