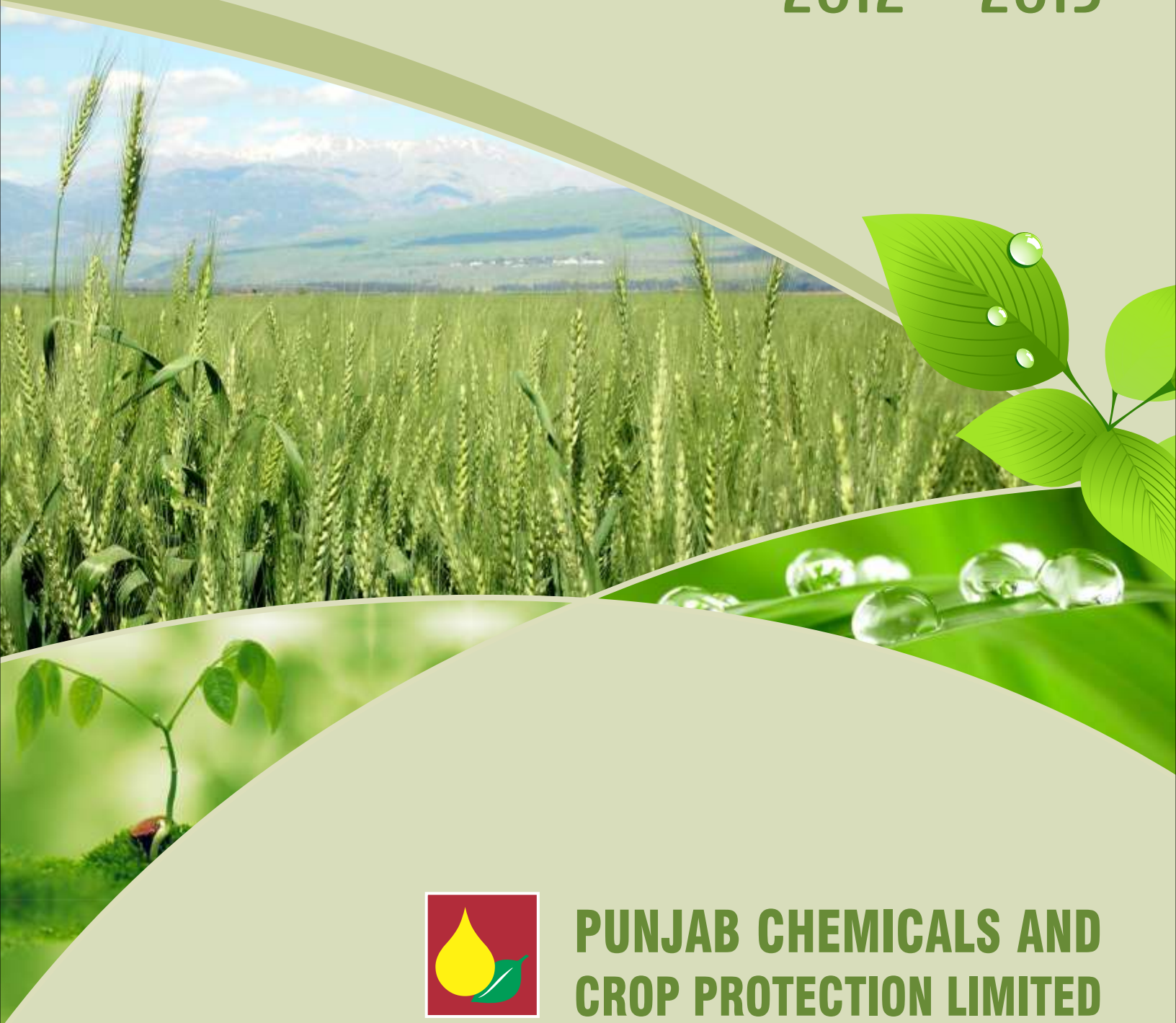


37th Annual Report And Accounts --- 2012 - 2013



**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')

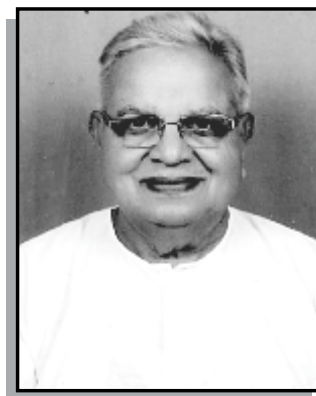
He dared.

He cared.

He shared.

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

Chairman's Message



Dear Shareholders,

Namaste !

It is a pleasure to interact with you through this column and appraise you about the operations of the Company.

As all are aware that the financial year 2012-13 witnessed a worst slowdown of the Indian economy due to global contradictory headwinds, domestic macro-economic imbalances and policy reversals. The impact was seen in almost all sectors of the economy and growth trajectory remains low everywhere, particularly in the manufacturing sector.

The financial year gone by was also not a stellar year for your Company due to reasons as mentioned in the Director's Report. However, the Company managed to focus on better efficiencies, cost saving measures and improved supply chain wherever possible, to streamline its operations. The Management also brought the focus back on Agro Chemicals technical manufacture, the backbone of the Company's business. The successful commissioning of another 'fungicide' in the Agrochemicals plant with the technical support from a renowned MNC has been a major morale booster for the Company.

As mentioned in our previous meetings that the management of the Company was and has been very closely monitoring the operations and working on strategies to bring the Company back on track through its forward looking and practical approach. The major initiatives taken by the management including debt recasting under Corporate Debt Restructuring scheme, infusion of capital, new strategic alliances with elite customers and optimum utilization of the production capacity of Agro Chemicals Division, as detailed in the previous Annual Report, have produced results.

The Management of the Company, however, expects some volatility to continue in 2013-14 but is confident that the speedy restoration of Company's business health and the laying of strong foundations for future growth are our top priorities. With your help and the bold, resolute action of our committed management team, we are confident that we can restore PCCPL to stable growth path.

In the end, let me take the opportunity to convey sincere thanks to our colleagues on the Board for their unstinted support and wise counsel, to the customers for their continued trust, to the working members at all levels for their contribution, to the Banks and Financial Institutions for their support, and to all the shareholders for their continued faith and support.

With warm regards,

A handwritten signature in black ink, appearing to be 'G. Narayana', written in a cursive style.

G.Narayana

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COMPANY INFORMATION

BOARD OF DIRECTORS

G. Narayana, Chairman
Shalil Shroff, Managing Director
Capt. S.S. Chopra (Retd.)
Mukesh D Patel
Jagdish R Naik (upto 30th April, 2013)
Vijay Rai
Avtar Singh, Director (Operations & Business Development)
R.W. Khanna, Nominee Director (upto 11th February, 2013)
Shiv Shanker Tiwari, Whole Time Director
S.P. Singh, Nominee Director (w.e.f. 11th February, 2013)

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

Punit K. Abrol

CHIEF FINANCIAL OFFICER

Vipul Joshi

AUDITORS

S.R. Batliboi & Co. LLP, Mumbai

BANKERS

State Bank of India
Bank of Baroda
EXIM Bank
Allahabad Bank
Union Bank of India
Central Bank of India

REGISTERED OFFICE

SCO: 183, First Floor,
Sector - 26 (East), Madhya Marg,
Chandigarh 160 019.
Ph.:0172-5008300, 5008301
Fax: 0172-2790160
E-mail: info@punjabchemicals.com

HEAD OFFICE

Milestone-18, Ambala-Kalka Road,
P.O. Bhankarpur, Distt. S.A.S. Nagar,
Mohali - 140201 (Punjab)
Tel.: 01762-280086, 280094, 522253
Fax: 01762-280070
E-mail: factory.info@punjabchemicals.com

CORPORATE OFFICE

Plot No.: 645-646, 4th/5th Floor
Oberoi Chambers II
New Link Road, Andheri (West)
Mumbai-400 053,
Tel.: 022-2674 7900 (30 lines)
Fax: 022-2673 6193, 26736013
E-mail: enquiry@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
Agro Formulation Division - Chiplun and Vadodara

**PUNJAB CHEMICALS AND CROP PROTECTION LIMITED****INFORMATION FOR SHAREHOLDERS****37th Annual General Meeting**

Wednesday, 4th September, 2013 at 10.30 A.M.
at PHD House
Sector - 31, Chandigarh
Book Closure Dates
30th August, 2013 to 4th September, 2013

Registrar and Share Transfer Agent

Alankit Assignments 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 15 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 the Registrar & Share Transfer Agent, Registered Office, Head Office or Corporate Office of the Company.

A REQUEST

We are sure you will read with interest the Annual Report for the year 2012-13. 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: 183, 1st Floor, Sector 26, Madhya Marg, Chandigarh-160 019

NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Members of the Punjab Chemicals and Crop Protection Limited will be held on Wednesday, 4th September, 2013 at 10.30 a.m at PHD House, Sector-31, Chandigarh-160031 to transact the following businesses:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss Account for the financial year ended on that date and the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri M.D Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vijay Rai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and 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 pursuant to Section 224A and other applicable provisions, if any, of the Companies Act, 1956, S.R Batliboi & Co. LLP, Chartered Accountants, Mumbai, (Membership no. 301003E), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to examine and audit the accounts of the Company for the financial year 2013-14 on such remuneration and out of pocket expenses, as may be mutually agreed upon between the Board of Directors 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 POLL, INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE AND VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members/ proxies should bring duly filled in and signed attendance slips alongwith their copy of the Annual Report to 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. 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.
3. 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.
4. 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./ DP 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 alongwith email ID, if any.
5. 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.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, the 30th August, 2013 to Wednesday, the 4th September, 2013** (both days inclusive).
7. Consequent upon amendment to Section 205A and introduction of Section 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 (IEPF)**, established by the Central Government.

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



FINANCIAL YEAR	DIVIDEND %AGE	TYPE	DATE OF DECLARATION	DUE DATE OF TRANSFER
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

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 IEPF. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie, against the Company or the said fund, in respect thereof.

8. 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.
9. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the meeting.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/ document including Annual Report can be affected by e-mail to its members.

To support this green initiative of the Government, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses, with their concerned DPs. Members can also register their e-mail addresses with M/s Alankit Assignments Limited, our R&TA by e-mailing at jksingla@alankit.com quoting their name, folio number/ client ID and DP ID. Alternatively, members may also write to our R&TA at its address, as given in the Corporate Governance Report.

By order of the Board of Directors

-Sd-

Punit K Abrol

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

Date : June 17, 2013

Regd. Office :

SCO : 183, 1st Floor, Sector-26,
Madhya Marg,
Chandigarh-160 019



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.

1. **Shri M.D Patel**

Shri M.D Patel, aged about 63 years, is an Independent Non-Executive Director of the Company. He is a graduate in Chemical Engineering. Besides having over 38 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 Shilchar Technologies Ltd., Transpek Finance Ltd., Torrential Investments Pvt. Ltd., Gujarat Automotive Gears Ltd., Universal Esters 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.

2. **Shri Vijay Rai**

Shri Vijay Rai (aged 66 years) is B. Tech from I.I.T. Kharagpur and further done courses in marketing and personnel management.

He has over forty three years experience in Industry out of which 28 years was with the leading industrial group in India "the Tata group". He has worked in 12 different industries with the group such as food processing, engineering, chemicals and fertilisers. He was the CEO for over 12 years of Rallis India Ltd (Rallis), the largest Agrochemicals Company in India at that time.

He was awarded in 1999 as the Most Admired Manager in the Industry by the Pesticide Formulators and Manufacturers Association.

Since 2000, he has been a consultant in manufacturing management and an advisor in the area of Agrochemicals manufacture and marketing.

He is also on the Board of English India Clays Limited, Greaves Cotton Limited, Greaves Leasing Finance Limited, TechPak Industries Ltd. (Nairobi, Kenya), Sri Biotech Laboratories India Ltd., Princeware Africa Limited (Tanzania), Princeware International Pvt. Ltd. and Primex India Private Ltd.

He is the Chairman of Akola Chemicals Ltd, a leading manufacturing and marketing company in the area of Plant and animal nutrition.

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

Shri Vijay Rai is not holding any equity share of the Company.

None of the Directors of the Company except Shri Vijay Rai, himself is concerned or interested in the proposed resolution.



DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby presents the 37th Annual Report on the business and operations of your Company along with the standalone and consolidated financial statements for the financial year ended on 31st March, 2013 (comprising of 6 months period from 1st October, 2012 to 31st March, 2013).

FINANCIAL HIGHLIGHTS :

The performance of the Company for the financial year under review is summarized below:

(Rupees in Lacs)

Particulars	Consolidated*		Standalone	
	2012-13	2011-12	2012-13	2011-12
Sale of Products & Other Income (Net)	24915	101524	20441	54894
Profit / (Loss) before Depreciation & Tax & Exceptional item	(1196)	460	(227)	(4618)
Depreciation / Amortisation	804	8460	717	1991
Profit / (Loss) before Tax & Exceptional item	(2000)	(8000)	(944)	(6609)
Exceptional income/ (expense)	737	(1956)	737	(2362)
Profit / (Loss) before Tax	(1263)	(9956)	(207)	(8971)
Less: Provision for Taxation				
Current tax	-	757	-	-
Deferred Tax	-	-	-	-
Profit / (Loss) after Tax	(1263)	(10713)	(207)	(8971)
Adjustment of tax relating to earlier years	-	(1)	-	16
Net Profit / (Loss)	(1263)	(10712)	(207)	(8987)
Profit available for Appropriation	(1263)	(10712)	(207)	(8987)
Carried forward to next year	(1263)	(10712)	(207)	(8987)

* Consolidated financial statements for the financial year ended 31st March, 2013 form part of the Annual Report and Accounts of its subsidiary Companies.

Notes:

- Current period figures are not comparable with the previous year, as the current period is for 6 months as against the previous year of 18 months.
- Previous period figures under different heads have been regrouped to the extent necessary.

OPERATIONS:

It may be noted that various initiatives taken by the management, detailed in the previous Annual Report, have produced results. The Company during the year continued to focus on better efficiencies, cost saving measures, improved supply chain and working capital management. The management also brought the focus back on Agro-chemicals technical manufacture, the backbone of the Company's business. The Company was able to increase revenues by new strategic alliances with elite customers and optimum utilization of the production capacity of Agro Chemicals Division. However, the working capital constraints still continued to cast its shadow in the year under review.

Amid various constraints, the Company has successfully commissioned another 'Fungicide plant' in Agro Chemicals Division of the Company with the technical support and buy back arrangement from one of the renowned Multinational Company in the month of March, 2013. The first lot of the finished product from this plant has been dispatched in May, 2013. The Company has projected a business of around Rs. 180 crores from this contract in the next three years. The successful implementation of this plant is a major morale booster for the Company.

The total income of the Indian Operations in the six months period under review was at Rs. 204.41 crores with a net loss of Rs. 2.07 crores as against the total income of Rs. 548.94 crores and a net loss of Rs. 89.87 crores in the previous year of eighteen months (this is after booking exceptional expenses and other provisions). The management of the Company has been endeavouring to run all the plants situated at different locations with more focus on Agro Chemicals Division. The new fungicide and other profitable existing products in this division are expected to strengthen the working of the Company and will add more value to its business.

The Management is also looking for an opportunity to dispose off some of the non-core assets or less performing assets or businesses in order to reduce the debt of the Company. This will strengthen the revival of the Company.

The Members will recall that in view of the poor financial results of the previous year, the Company had filed a report with the Board for Industrial and