



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231CH1975PLC003603

Registered Office: S.C.O: 183, 1st Floor, Sector 26, Madhya Marg, Chandigarh 160019.

NOTICE

Notice is hereby given that the thirty eighth (38th) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on Tuesday, the 23rd September, 2014 at 4:00 p.m. at PHD House, Sector- 31, Chandigarh to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated financial statements of the Company for the financial year ended March 31, 2014 including the audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the financial year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Capt. S.S Chopra (Retd.) (DIN No. 00146490), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. **Appointment of Auditors and fixation of their remuneration.**

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

"RESOLVED THAT pursuant to the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E) , be and is hereby appointed as the Statutory Auditors of the Company, in place of retiring auditors S.R Batliboi & Co. LLP, Chartered Accountants (Registration No. 301003E) to hold office from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the calendar year 2017 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration plus service tax and out of pocket expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business:

4. **Appointment of Shri G. Narayana (DIN: 00020575) as an Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (the Act) and the Rules framed there under, read with Schedule IV to the Act, (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri G. Narayana (DIN: 00020575), a Non- executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years upto the conclusion of the 43rd Annual General Meeting of the Company to be held in the calendar year 2019."

5. **Appointment of Shri M.D Patel (DIN: 00009605), as an Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (the Act) and the Rules framed there under, read with Schedule IV to the Act, (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri M.D Patel (DIN: 00009605), a Non- executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years upto the conclusion of the 43rd Annual General Meeting of the Company to be held in the calendar year 2019."

6. **Appointment of Shri Vijay Rai (DIN: 00075837), as an Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (the Act) and the Rules framed there under, read with Schedule IV to the Act, (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Vijay Rai (DIN: 00075837), a Non- executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years upto the conclusion

of the 43rd Annual General Meeting of the Company to be held in the calendar year 2019.”

7. To appoint Smt. Sindhu Seth (DIN: 00109298) as a Director, liable to retire by rotation.

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (the Act) and the Rules framed there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement and other applicable provisions, if any, Smt. Sindhu Seth (DIN: 00109298), who was appointed as an Additional Director by the Board of Directors of the Company pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office upto the conclusion of this Annual General Meeting and being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature as a Director of the Company, be and is hereby appointed as a Woman Director of the Company, liable to retire by rotation.”

8. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Smt. Pushpa Khanna, Cost Accountant, Chandigarh (Membership No. M5604) and M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar, (Firm Registration No. 100123) appointed as the Cost Auditors of the Company by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid remuneration as set out in the explanatory statement of this item annexed to the Notice of this Meeting.

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

9. To amend Articles of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and Rules contained therein (including any statutory modification and reenactments thereof for the time being in force) and such other requisite approvals as may be required, Article 120 and Article 173 of the Articles of Association of the Company be amended as follows respectively:

Insertion after Article 120:

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

Article 173 be substituted as follows:

- (a) Shri Shalil Shroff shall be a director not be liable to retire by rotation.
- (b) All other Whole Time Director (s) shall be liable to retire by rotation. A Whole Time Director re-appointed as a Director immediately on retirement by rotation, shall continue to hold his office of Whole Time Director, and such re-appointment of the Director shall not be deemed to constitute a break in his appointment as Whole Time Director.
- (c) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

10. Re-appointment of Shri Shalil Shroff (DIN: 00015621) as the Managing Director of the Company and to fix his remuneration.

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and subject to the requisite approval of the Central Government, if required and pursuant to the resolution passed by the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the Company be and is hereby accorded to the re-appointment of Shri Shalil Shroff (DIN: 00015621) as the Managing Director of the Company for a period of 3 (three) years from 15.01.2015 to 14.01.2018 on the terms and

conditions including remuneration as set out in the relevant explanatory statement annexed to the notice of this meeting.

RESOLVED FURTHER THAT the remuneration payable to Shri Shalil Shroff as detailed in the explanatory statement shall be payable as minimum remuneration in case of absence or inadequacy of profit in any financial year but not exceeding the limits specified under Section II of Part II of Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force), or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include the Nomination and Remuneration Committee) be and is hereby authorised to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Act (including any statutory modifications or re-enactment (s) thereof, for the time being in force).

RESOLVED FURTHER THAT the Board of Directors of the Company or any person authorised by the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient or desirable and to settle any question or doubt that may arise in relation thereto and the Board shall have the absolute powers to accept any modification in the terms and conditions as may be approved by the Central Government while according its approval, if required, to the said reappointment and comply with the abovementioned applicable provisions and to give effect to the foregoing resolution.”

11. Re-appointment of Shri Avtar Singh (DIN:00063569) as the Whole Time Director of the Company and to fix his remuneration.

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

“RESOLVED THAT in continuation to the earlier approval accorded by the Members in their 36th Annual General Meeting (AGM) to the re-appointment of Shri Avtar Singh (DIN: 00063569) as the Whole Time Director of the Company pursuant to the Companies Act, 1956 (erstwhile Act), it is hereby further resolved that the said approval be and is hereby also accorded under Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (New Act) and the rules made there under and subject to the requisite approval of the Central Government, if required (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the New Act.

RESOLVED FURTHER THAT the terms and conditions for the re-appointment of Shri Avtar Singh including remuneration will remain same as approved in the resolution passed by the Members in their 36th AGM as reproduced in the relevant explanatory statement annexed to the notice of this meeting for a term of five (5) years w.e.f 14.11.2012 to 13.11.2017.

RESOLVED FURTHER THAT the remuneration payable to Shri Avtar Singh as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profit in any financial year but not exceeding the limits specified under Section II of Part II of Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) , or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include the Nomination and Remuneration Committee) be and is hereby authorised to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Act (including any statutory modifications or re-enactment (s) thereof, for the time being in force).

RESOLVED FURTHER THAT the Board of Directors of the Company or any person authorised by the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient or desirable and to settle any question or doubt arise in relation thereto and the Board shall have the absolute powers to accept any modification in the terms and conditions as may be approved by the Central Government while according its approval, if required, to the said reappointment and/ or remuneration and comply with the abovementioned applicable provisions to give effect to the foregoing resolution.”

12. To approve borrowing limits of the Company

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 Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) and that of Articles of Association of the Company and in supersession to the ordinary resolution passed under Section 293 (1) (d) of the Companies Act, 1956 by the Members in their Extra-ordinary General Meeting held on 22nd July, 2005, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being)to borrow money, where the money to be borrowed together with the money already borrowed by the Company either from the Company's Bankers or any other Indian or Foreign Bank (s), Financial Institution (s) and / or any other Lending Institutions or person(s) from time to time, apart from the Temporary loans obtained or to be obtained from the Company's bankers/ Financial Institutions in the ordinary course of business, with or without security on such terms and conditions as the Board thinks fit, may exceed, at any time, the aggregate of the

paid-up share capital and free reserves of the Company, provided that the money borrowed together with the money (s) already borrowed by the Board of Directors shall not exceed the sum of Rs. 500 crores (Rupees five hundred crores) at any time.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions including interest, repayment, security, etc. on which all such monies to be borrowed from time to time and to do all such acts, deeds and things to execute documents, instruments and writings as may be required from time to time."

13. Creation of charges on the assets of the Company.

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 Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) and that of the Articles of Association of the Company and in supersession to the ordinary resolution passed under Section 293 (1) (a) of the Companies Act, 1956 by the Members in their Annual General Meeting held on 28th December, 2005, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to create security by way of hypothecation/ mortgage and/ or charge and/ or encumber in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any, created by the Company on all or any part of the immovable and/ or movable properties, current and/ or fixed assets, tangible and/ or intangible assets, book debts and/ or claims of the Company wherever situated, present and future, to rank either pari-passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecation and other encumbrances created/ to be created by the Company in favour of Indian or Foreign Bankers/ Financial Institutions/ other Lending Institution or Trustees for the holders of Debentures/ Bonds/ other instruments/ securities or for Lenders and/ or to such other persons, if any from whom the Company has proposed/ proposes to borrow money/ sums of money (s) by way of any Rupee/ Foreign currency loans / facilities/ borrowing limits/ LC limits, guarantee assistance, Standby Letter of credit/ Letter of credit, and/ or any issue of Non-convertible Debentures, and/or compulsorily or optionally, fully or partly Convertible Debentures and/ or Bonds, and/or any other Non-convertible and / or other Partly/ Fully Convertible instruments / securities, together with interest, cost, charge and other incidental expenses in terms of the agreement (s) entered/ to be entered into by the Board of the Company within the overall borrowing limits fixed pursuant to Section 180 (1) (c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lenders or their Trustees, all the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

14. Approval for appointment and payment of remuneration to Mr. Jaskaran Singh u/s 188 (1) (f) of the Companies Act, 2013.

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

RESOLVED THAT pursuant to Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents, approvals, permissions as may be required from time to time, the consent of the Company be and is hereby accorded to the appointment of Mr. Jaskaran Singh (the appointee), who is a relative of a Director to hold an office or place of profit in the Company.

RESOLVED FURTHER THAT initially, the appointee shall be appointed in the managerial grade on a monthly remuneration not exceeding Rs. 35,000 per month in accordance with Section 188 (1) (f) of the Companies Act, 2013 and Rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board", which expression shall also include a duly constituted Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its power including the power conferred by this resolution and any person authorized by the Board in this behalf) and/ or Nomination and Remuneration Committee of the Company be and is hereby authorized to appraise the performance of the appointee and thereafter alter and vary the terms and conditions of appointment, including increase in remuneration and the pay scale and change of designation, etc from time to time in accordance with Section 188 (1) (f) of the Companies Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution.

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses specified under Item Nos. 3 to 14 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 4 to 7, 10 and 11 of the Notice are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO

APPOINT A PROXY TO ATTEND AND VOTE ON POLL OR OTHERWISE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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

3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote
4. Members/ proxies should bring the duly filled Attendance slip enclosed herewith to attend the Meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from 16th September, 2014 to 23rd September, 2014 (both days inclusive).
6. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
8. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM
9. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven 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
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 no claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2014, nor shall any payment be made in respect of such claim.

Once the unclaimed dividend is transferred to the IEPF, no claim shall lie, against the Company or the said fund, in respect thereof.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 4, 2013 (date of last Annual General Meeting) on the website of the Company (www.punjabchemicals.com) as also on the website of the Ministry of Corporate Affairs.

10. In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing the facility to its Members holding shares in physical and dematerialized form as on the cut off date 1st August, 2014 to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice. Necessary information and instructions for e-voting is also enclosed.
11. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company situated at SCO: 183, First Floor, Sector 26, Chandigarh-160 019 on all working days, except Saturdays, during business hours upto the date of the Meeting.
12. Members are requested that the Registrar and Share Transfer Agent of the Company -M/s Alankit Assignments Ltd. be immediately intimate of any change in their addresses, e-mail Ids, contact numbers, bank details, ECS mandate, Nomination, etc. in respect of the equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent.
14. Members holding shares in single name in physical form are advised to make nomination in respect of their

shareholding in the Company.

15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent, for consolidation into a single folio.
16. Electronic copy of the Annual Report for FY 2013-14 is being sent to all the Members whose email-IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2013-14 are being sent through the permitted mode. Members may also note that the Annual Report for FY 2013-14 will also be available on the Company's website www.punjabchemicals.com for their download.

By order of the Board of Directors

Sd/-

Punit K Abrol

Sr. V.P. (Finance) & Secretary

Date : 8th August, 2014

Place : Chandigarh

Registered Office:

SCO: 183, First Floor, Sector-26

Madhya Marg, Chandigarh- 160019

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

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

Item No. 3

At the 37th Annual General Meeting held on 4th September, 2013, the members of the Company had re-appointed S. R. Batliboi & Co. LLP, Chartered Accountants (formerly known as S. R. Batliboi & Co, Chartered Accountants) as Statutory Auditors of the Company. They would be retiring at the conclusion of this Annual General Meeting (AGM).

However, due to certain internal restructuring in their firm, they have proposed the name of their associate firm M/s S R B C & Co. LLP for appointment as Statutory Auditors for the next 3 (three) years.

As per the requirement of the Companies Act, 2013 (the Act) B S R & Co. LLP, Chartered Accountants have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and they are not disqualified to be appointed as the statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The consent letter from this firm to act as the Statutory Auditors of the Company has been received.

Therefore, upon recommendation from the Audit Committee, the Board has proposed the appointment of S R B C & Co. LLP as Statutory Auditors of the Company for a period of three (3) years. Accordingly, the appointment of Statutory Auditors is proposed to the Members in the Notice for a period of three (3) years commencing from the conclusion of the forthcoming AGM till the conclusion of 41st AGM, subject to ratification of their appointment at every AGM by the Members.

Copies of the notice given by S. R. Batliboi & Co. LLP and letter given by S R B C & Co. LLP, as referred above, shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto the date of the Meeting.

No Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

Item No. 4 to 6:

Shri G. Narayana, Chairman and Director, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956.

Shri Vijay Rai and Shri M.D Patel are the Directors whose office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. All these Directors have held their positions as such for more than five (5) years.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (the Act) which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

Shri G. Narayana, Shri Vijay Rai and Shri M.D Patel, being independent and eligible are proposed to be appointed as the Independent Directors under Section 149 and other applicable provisions of the Act.

The Company has received notices in writing from Members alongwith the deposit of requisite amount under Section 160 of the Act proposing their candidatures for the office of Directors of the Company.

The tenure of the office of these Directors can be upto the conclusion of 43rd Annual General Meeting of the Company to be held in the calendar year 2019.

These Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

They have also given declarations of their independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfils the conditions specified in the Act and the Rules framed thereunder for their appointment as Independent Directors.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Copy of the draft letter for appointment of the above Directors as an Independent Directors, setting out the terms and conditions shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto the date of the Meeting.

The detailed profile of these Directors regarding Directorships and Committee positions held by them is included separately in the Notice and report on Corporate Governance forming part of the Annual Report.

No Director, Key Managerial Personnel or their relatives, except Shri G. Narayana, Shri Vijay Rai and Shri M.D Patel, to whom the resolutions relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item Nos. 4 to 6 for the approval of the Members.

Item No. 7:

As per the provisions of Section 149 (1) of the Companies Act, 2013 read with Companies (Appointment and Qualification

of Directors) Rules, 2014, every listed Company as well as every other public Company having paid up share capital of Rs 100 crores or more or turnover of Rs. 300 crores or more is required to appoint atleast one Woman Director on the Board of the Company.

Accordingly, the Board of Directors of the Company at its meeting held on 29th May, 2014, appointed Smt. Sindhu Seth as an Additional Director of the Company pursuant to the provisions of Section 161 of the Act who holds office of Director only upto the conclusion of this Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Sindhu Seth for the office of Director of the Company, liable to retire by rotation.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The detailed profile of Smt. Sindhu Seth regarding Directorship and Committee position held by her is included separately in the Notice and report on Corporate Governance forming part of the Annual Report.

Copy of the draft letter for her appointment as Non executive Director setting out the terms and conditions shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto the date of the Meeting.

No Director, Key Managerial Personnel or their relatives, except Smt. Sindhu Seth, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

Item No. 8:

The Board of Directors, on the recommendation of the Audit Committee, at its meeting held on 29th May, 2014, has considered and approved the appointment of the following Cost Auditors of the Company for the financial year 2014-15 at a remuneration as given herein below plus service tax as applicable and reimbursement of out of pocket expenses:

Sr. No.	Name of the Cost Auditor	Industry	Audit Fees (Amount in Rs.)
1.	Smt. Pushpa Khanna, Cost Accountants, Chandigarh	Insecticides	37,500.00
2.	M/s. Khushwinder Kumar & Co., Cost Accountants, Jalandhar	Bulk Drugs	27,500.00

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

No Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the Members.

Item No. 9:

In order to comply with the provisions of the Companies Act, 2013 and the Rules contained therein, few changes have been proposed to be made in the Articles of Association of the Company, which are as follows:

- The Sections relating to the appointment and Qualifications of Directors under Chapter XI of the Companies Act, 2013, have been notified by the Ministry of Corporate Affairs, Government of India w.e.f 1st April, 2014. The new provisions provides for appointment of Independent Directors as not liable to retire by rotation. Since the office of Independent Directors is no longer subject to retire by rotation, therefore, in order to comply with the requirement contained in the Companies Act, 2013 and the rules w.r.t. proportion of appointment of Directors liable to retire by rotation, the office of Whole Time Directors except Shri Shalil Shroff, Managing Director, be made subject to retire by rotation.
- In the erstwhile Companies Act, 1956, a person can be appointed a proxy for any number of members but the Companies Act, 2013 has fixed a limit to this provision. A person can now act as a proxy for Members not exceeding fifty (50) and shareholding of whom in the aggregate should not be more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Except Shri Shalil Shroff, Shri Avtar Singh, Shri S.S. Tiwari, whose appointment as Director are to become rotational or non-rotational, and Capt. S.S. Chopra (Retd.) who is the relative of Shri Shalil Shroff, no other Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 9 for the approval of the Members.

ITEM No. 10

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 7th August, 2014 in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approval of the Members of the Company, Central Government and or any other regulatory approvals, if required, have reappointed Shri

Shalil Shroff as the Managing Director of the Company for a period of three (3) years w.e.f 15.01.2015 to 14.01.2018 on the terms and conditions including remuneration as reproduced below:

1. Salary:

Rs.2,50,000/- per month in the pay scale of Rs.2,00,000 - 4,00,000. The annual increment will be effective from 1st April each year taking into account the Company's performance and as decided by the Nomination and Remuneration Committee and the Board of Directors.

2. Commission:

Commission on net profits of the Company as may be determined and fixed by the Board of Directors subject to a limit of 1 (one) % of the net profits of each financial year.

3. Perquisites:

- a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance, etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri Shalil Shroff; such perquisites for each year not to exceed his annual salary. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at the actual cost.

The provision of Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act. Gratuity and encashment of leave at the end of his tenure as per the rules of the Company and as applicable to the senior executives. These shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

4. Other Terms:

- a) Leave: On full pay and allowance, as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of duties.
- c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between him and the Company.
- d) In the event of any dispute or difference arising at any time between Shri Shalil Shroff and the Company in respect of the terms of his appointment or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

The resolution is being proposed for approval as a special resolution in compliance with the requirements of Schedule V, Part II, Section II, Clause (B) of the Companies Act, 2013. A statement to this effect is separately given in the Notice.

No Director, Key Managerial Personnel or their relatives, except Shri Shalil Shroff himself and Capt. S.S Chopra (Retd.), being relative of Shri Shalil Shroff, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 10 for the approval of the Members.

ITEM NO. 11

Shri Avtar Singh was re-appointed as the Whole Time Director pursuant to the resolution passed by the Remuneration Committee and the Board of Directors of the Company on 22nd November, 2012 and Members of the Company in their 36th Annual General Meeting held on 29th December, 2012 for a period of five (5) years with effect from 14th November, 2012 to 13th November, 2017 in accordance with the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956.

The Company has applied to the Central Government for seeking its approval for the said purpose as the Company had defaulted in the payment of debt to the bank for more than 30 days in the Financial Year 2010-11, however, the approval of the Central Government is still pending.

With the introduction of the Companies Act, 2013 (the Act), all the provisions under the Companies Act, 1956 have been repealed. In view of the repealing of the related provisions of the Companies Act, 1956, it has been advised to the Company to take fresh approval from the Members for the re-appointment of Shri Avtar Singh including his remuneration also under the provisions of the new Act and Rules made thereunder even though it has already given by the Members.

The Nomination and Remuneration Committee and the Board of Directors of the Company therefore, had again confirmed all the points decided in their respective meetings held on 7th August, 2014 in accordance with the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (earlier Sections 198, 269, 309 and 311 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956) and subject to the approval of the Central Government and Members of the Company or any other regulatory approvals, if required, approved the reappointment of Shri Avtar Singh as the Whole Time Director of

the Company for a period of five (5) years w.e.f. 14.11.2012 to 13.11.2017 on the terms and conditions including remuneration already approved by them and the Members, as reproduced herein below:

1. Salary:

Rs.1,55,000/- per month in the pay scale of Rs.1,00,000 to Rs 3,00,000. The annual increment will be effective from 1st April each year taking into account the Company's performance and as decided by the Nomination and Remuneration Committee and the Board of Directors.

2. Commission:

Commission on net profits of the Company as may be determined and fixed by the Board of Directors subject to a limit of ½ (half) % of the net profits of each financial year.

3. Perquisites:

- a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance, etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri Avtar Singh; such perquisites for each year not to exceed his annual salary. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at the actual cost.

The provision of Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure as per the rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

4. Other Terms:

- a) Leave: On full pay and allowance, as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in performance of duties.
- c) The appointment may be terminated by either party giving to the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between him and the Company.
- d) In the event of any dispute or difference arising at any time between Shri Avtar Singh and the Company in respect of the terms of his appointment or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

The resolution is being proposed for approval as a special resolution in compliance with the requirements of Schedule V, Part II, Section II, Clause (B) of the Companies Act, 2013. A statement to this effect is separately given in the Notice.

No Director, Key Managerial Personnel or their relatives, Shri Avtar Singh, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 11 for the approval of the Members.

ITEM No. 12 & 13

At the Extra-Ordinary General Meeting of the Company held on 22nd July, 2005 and Annual General Meeting of the Company held on 28th December, 2005 the Members had, by way of Ordinary Resolutions authorized the Board of Directors:

- i) To borrow monies upto Rs. 500 crores under Section 293 (1) (d) of the Companies Act, 1956; and
- ii) To secure the same by suitable mortgage/ hypothecation on all or any of the movable and/ or immovable properties or Company's assets in favour of lending agencies and trustees under Section 293 (1) (a) of the Companies Act, 1956

Under Section 180 of the Companies Act, 2013 (the Act), the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

Therefore in order to remain compliant with the relevant provisions on borrowings and creation of security for the said borrowing pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively, the approval of the Members now being sought, by way of Special Resolutions. The borrowing limit of the Company, apart from temporary loans obtained in ordinary course of business shall remain Rs.500 crores.

No Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item Nos. 12 and 13 for the approval of the Members.