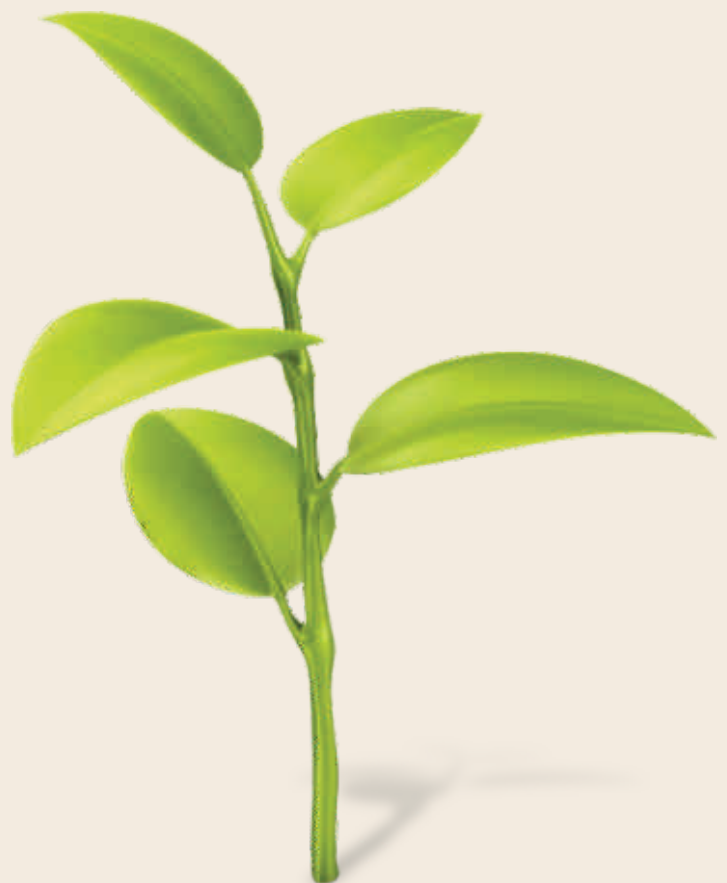




40th ANNUAL REPORT and ACCOUNTS 2015-16



**PUNJAB CHEMICALS AND
CROP PROTECTION
LIMITED**



उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः



20.07.1932 - 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,

Greetings!

It is a pleasure to communicate with you first time through this column as the Chairman of the Company. I have had a long prior association of more than thirty years with the Company as a Director and have witnessed its ups and downs. It is an honour showered on me and the confidence of the Directors that they have chosen me to take up this responsibility. At the outset, I would like to express sincere regards and appreciation on behalf of the Board to Shri G. Narayana, immediate past Chairman, who made an invaluable contribution in steering the Company from a difficult situation with his vision and guidance. We wish him best of health and success in his new and dedicated role in education and serving the people and the society. I would also like to mention that as promised by him in his address last year, he is always available for guidance and suggestions on any matter relating to the welfare and wellbeing of the Company.

As you are aware that economic environment in the recent year has been challenging with

uncertainties. The weak growth and divergent monetary and economic policies, slowdown in china and commodity prices posed new challenges to the country, industry and the common people. The efforts taken by the Government at various levels kept the wheels of the country's economy rolling. However, it was interesting to note that effect of the aforesaid challenges remained industry or business specific. The result of the actions and policies of the Government will be seen in the coming years.

As you are aware, Company's operations are mainly focused on Agrochemicals and other chemicals. The overall growth of the Company, therefore, depends upon the growth of the agrochemical sector. As per various international reports, the future trend of agrochemical market is positive as the consumption of agrochemicals is going to increase by the farmers for more per hectare production. As per one of the studies, agro chemical market is expected to grow with a compound annual growth rate of 3.9% by the year 2021. Your Company also expects to grow with the sector, barring unforeseen circumstances.

On Company's specific situation, I would like to reiterate that Company has passed through various challenges successfully after it suffered major setback few years ago. We have disposed off our non-core assets / businesses to reduce debt, continued production in the plants with limited working capital and have been able to keep the morale of the employees high. The confidence of employees in the management, its philosophy and their belongingness towards the Company were the key factors to run the show and bring the Company out of the difficult situation. The Company was able to repay the overdue debts and interest. The Company has fulfilled the conditions of One Time Settlement (OTS) proposal of debts with State Bank of India, the impact of which has been taken in the financials of the year under review.

However, presently, the Company is facing challenges in one of the overseas subsidiary in Argentina, because of grave economic conditions in that country. Our team is putting all efforts to control the situation and explore various options to overcome the situation.

It is a matter of satisfaction that now Indian operations are absolutely smooth and are in order. I am confident that the steps taken and projected growth in the agrochemical sector should bring the Company back into track of generating good returns in the near future.

Dear Shareholders, I on behalf of the Board and the Management, would like to appreciate the efforts of Shri Shalil Shroff, Managing Director and his team to bring back the Company to a stable position. Now, we are committed to grow from here.

To conclude, I would like to express deep sense of appreciation to all rank of employees for their understanding and whole hearted support to the management of the Company. My sincere

appreciation and thanks to all the stakeholders viz. Banks, Suppliers, Customers, who have given support to the Company to stage a comeback.

Last, but not the least, sincere thanks to all of you (the shareholders) for keeping faith in the Board of Directors and the management in their policies and efforts.

With best wishes,

Mukesh D Patel

30th May, 2016



COMPANY INFORMATION

CHAIRMAN EMERITUS	GHATTU RAMANNA NARAYAN
CHAIRMAN	MUKESH DAHYABHAI PATEL
BOARD OF DIRECTORS	SHALIL SHROFF, Managing Director CAPT. SURJIT SINGH CHOPRA (Retd.) VIJAY DILBAGH RAI SINDHU SETH (Mrs.) SHEO PRASAD SINGH SHIVSHANKAR SHRIPAL TIWARI AVTAR SINGH, Director (Operations & Business Development)
SR. V.P. (FINANCE) & COMPANY SECRETARY	PUNIT KUMAR ABROL
CHIEF FINANCIAL OFFICER	VIPUL JOSHI
BANKERS	BANK OF BARODA EXPORT-IMPORT BANK OF INDIA ALLAHABAD BANK UNION BANK OF INDIA CENTRAL BANK OF INDIA
AUDITORS	S R B C & CO. LLP Chartered Accountants
REGISTERED OFFICE	SCO: 183, FIRST FLOOR, SECTOR-26 (EAST) MADHYA MARG, CHANDIGARH - 160 019 Tel: 0172-5008300/5008301, Fax: 0172-2790160 Email: info@punjabchemicals.com Website: www.punjabchemicals.com
CORPORATE OFFICE	PLOT NO. 645-646, 5TH FLOOR, OBEROI CHAMBERS II NEW LINK ROAD, ANDHERI (WEST), MUMBAI - 400 053 Tel: 022-26747900 Fax: 022-26736193 Email: enquiry@punjabchemicals.com
MANUFACTURING UNITS	AGRO CHEMICALS DIVISION - PCCPL, DERABASSI PHARMA DIVISION - ALPHA DRUGS, LALRU INDUSTRIAL CHEMICALS DIVISION, PUNE
REGISTRAR & SHARE TRANSFER AGENT	ALANKIT ASSIGNMENTS LTD., RTA DIVISION, ALANKIT HEIGHTS 1E/13, JHANDEWALAN EXTENSION, NEW DELHI - 110 055 Tel: 011-42541234/23541234, Fax: 011-41543474 Email: rta@alankit.com Website: www.alankit.com



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40TH ANNUAL GENERAL MEETING

Friday, 9th September, 2016 at 10.00 A.M. at
PHD House, Sector – 31, Chandigarh
Book Closure Dates
2nd September, 2016 to 9th September, 2016

GREEN INITIATIVE

Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance allowing paperless compliances by Companies through electronic mode. Your Company has taken initiative to update their records for the same. The members holding shares in physical form and who have not furnished the requisite information and wish to avail the facility to receive the correspondence from the Company in electronic mode may furnish the information to the Alankit Assignments Limited, the Registrar and Transfer Agents. The members holding shares in electronic form may furnish the information to their Depository Participants to avail of the said facility.



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN : L24231CH1975PLC003603

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

Tel : 0172-5008300, 5008301, Fax : 0172-2790160

Email : info@punjabchemicals.com; website : www.punjabchemicals.com

NOTICE

NOTICE is hereby given that the fortieth (40th) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on Friday, the 9th September, 2016 at 10.00 A.M. at **PHD House, Sector 31, Chandigarh** to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated financial statements of the Company for the financial year ended March 31, 2016 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:00146490), who retires by rotation and, being eligible, offers himself for re-appointment.
3. **To ratify appointment of the Statutory Auditors and to fix their remuneration.**

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

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the forty first AGM of the Company to be held in the calendar year 2017 to examine and audit the accounts of the Company at such remuneration as recommended by the Audit Committee and fixed by the Board of Directors of the Company.”

Special Business:

4. **To approve remuneration of the Cost Auditors for the financial year ending March 31, 2017.**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the

time being in force), the Cost Auditors viz. Smt. Pushpa Khanna, Cost Accountant, Chandigarh (Membership No. M5604) and M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, be paid the remuneration as set out in the explanatory statement of this item annexed to the Notice convening this Meeting.

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

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses specified under Item Nos. 3 to 4 of the Notice, is annexed hereto.

The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), in respect of Director retiring by rotation and being reappointed has been provided in the Corporate Governance Report forming part of this annual report.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT (48) HOURS before the commencement of the AGM.
4. Proxies submitted on behalf of limited Companies, LLP, 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 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 shareholder.
5. 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.



6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **2nd September, 2016 to 9th September, 2016** (both days inclusive) for annual closing.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at least ten (10) days in advance, so as to enable the Management to keep the information ready at the meeting.
9. 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.
10. 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.
11. Pursuant to the provisions of section 123 and 125 and other applicable provisions, if any, of the Companies Act, 2013, the amounts of dividends remaining unclaimed for a period of seven (7) years from the date they become due for payment are required to be transferred to Investors Education & Protection Fund (IEPF), established by the Central Government and thereafter, no payment shall be made by the Company or by the IEPF in respect of such amounts.

The 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
2008-09	15	Final	25.09.2009	24.10.2016

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

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 11, 2015 (date of last AGM) on the website of the Company (www.punjabchemicals.com) as also on the website of the Ministry of Corporate Affairs.
12. 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.
13. Members are requested that the Registrar and Share Transfer Agent of the Company M/s Alankit Assignments Ltd. be immediately intimated of any change in their addresses, e-mail Ids, contact numbers, bank details, ECS mandate, Nomination, etc. in respect of the equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form. This will help the Company and the Registrar to provide better and efficient services.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Alankit Assignments Ltd., Registrar and Share Transfer Agent.
15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website link <http://punjabchemicals.com/companypolicy.html> Members holding shares in physical form may submit the same to the M/s Alankit Assignments Ltd., Registrar and Share Transfer Agent. Members holding shares in electronic form may submit the same to their respective depository participant.
16. 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. They are also requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. The members can contact the Company or the Registrar and Share Transfer Agent for such service.
17. Electronic copy of the Notice of the AGM alongwith the Annual Report for the Financial Year 2015-16 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 2015-16 are being sent through the permitted mode. Members may also note that the Annual Report for FY 2015-16 will also be available on the Company's website www.punjabchemicals.com for their download.
18. With a view to support the '**Green Initiative**', members are requested to register / update their e-mail addresses, with their Depository Participants (DP) and ensure that the same is also updated with their respective DP. This will enable the Company to send communications electronically.



19. Voting through electronic means:

In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting through poll/ ballot paper will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through poll/ ballot paper. **Members who cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.**

20. The voting period begins on Tuesday, September 6, 2016 at 9:00 a.m. and ends on Thursday, September 8, 2016 at 5:00 p.m. During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 2, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
21. The instructions for remote e-voting are as under:
 - a. The shareholders should log on to e-voting website '**www.evotingindia.com**' during the voting period.
 - b. Click on "**Shareholders**" tab.
 - c. Now, enter User ID, captcha and password as per the instructions given below:

User-ID	a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID c) Members holding shares in Physical Form should enter Folio Number registered with the Company	
Captcha	Next enter the Image Verification as displayed and Click on 'LOGIN'	
Password	(i) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. (ii) If you are a first time user follow the steps given below: For Members holding shares in Demat Form and Physical Form	
	PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on the Postal Ballot Paper. <p>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
	Date of Birth (DOB) or Dividend Bank Details	<p>Please enter the DOB (in dd/mm/yyyy format) or Dividend Bank Details as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the Depository or Company, please enter the member id / folio number in the Dividend Bank details field.</p>

- d. After entering these details appropriately, click on “**SUBMIT**” tab.
 - e. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.
 22. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 23. **Select the EVSN** of Punjab Chemicals and Crop Protection Limited (the number is provided in the Form).
 24. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. **Select the option “YES” or “NO” as desired.** The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



25. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 26. After selecting the resolution you have decided to vote on, **click on "SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK," else to change your vote, click on "CANCEL" and accordingly modify your vote.
 27. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 28. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 29. If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 30. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 31. Note for Institutional Shareholders:
 - i) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - iii) After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - iv) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 32. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.
 33. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing user ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com
 34. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under "HELP" section or write an email to helpdesk.evoting@cdslindia.com
 35. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut off date of 2nd September, 2016 only shall be entitled to avail the facility of remote e-voting.
 36. Shri S. K Sharma, Practicing Company Secretary (C.P No. 3864) has been appointed as Scrutinizer for scrutinizing the remote e-voting process as well as voting process at the AGM in a fair and transparent manner.
 37. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting through poll / ballot paper with the assistance of the Scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 38. The Scrutinizer shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, and submit it to the Chairman or a person authorized by Board. The Chairman or the authorized person shall declare the result of the voting forthwith.
 39. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.punjabchemicals.com and on the website of the CDSL after the same is declared by the Chairman/ authorized person. The Results shall also be simultaneously forwarded to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
 40. **The route map showing directions to reach the venue of the AGM is annexed.**
- By order of the Board of Directors
Sd/-
Punit K Abrol
Sr. V.P. (Finance) & Company Secretary
- Date: June 1, 2016
Place: Chandigarh
- Registered Office:**
SCO: 183, First Floor, Sector-26
Madhya Marg, Chandigarh- 160019