



**44<sup>th</sup>** Annual Report  
and Accounts 2019-20



**PUNJAB CHEMICALS AND  
CROP PROTECTION LIMITED**

उद्यमेन हि सिध्यन्ति  
कार्यणि 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 my pleasure to have communication with you through 44th Annual Report of the Company.

At the outset, I would like to draw your attention to the unprecedented situation due to COVID-19 pandemic. There is an overall pessimism among the people all over the world due to wide spread of infection and consequently the effect on economy. The Governments of all countries have taken various steps to control this pandemic by imposing nationwide lockdown, restricting movement of people, enforcing social distancing and use of masks, etc. As no specific treatment / vaccine is still available, the prevention and adherence to the preventive norms suggested by the World Health Organisation (WHO) and the respective Governments are the only way out of survival. I on behalf of the Company and myself wish all the shareholders and others associated with the Company, a safe and healthy time. As a good citizen, one should follow all the precautions to remain safe and healthy. In view of this situation, we are forced to hold a virtual Annual General Meeting (AGM) through Audio / Video Conferencing instead of physical presence of the esteemed shareholders.

The world has faced the slowest growth rate due to COVID-19 pandemic and deterioration in US-China trade relations. The measures taken to control the spread of Corona virus saved many lives but dealt a huge blow to economic activities. The impact of lockdown will be felt for a long time. Our country also implemented strictest nationwide lockdowns to keep the infection under control. As a result, mass unemployment in the lower income segment, staff downsizing across sectors, restriction on free movement of goods and people, disrupted supply chains nearly wiped out the demand for non-essential goods and services. To boost the demand and to revive the economy, the Government of India has taken various steps like relaxation in foreign direct investments norms & upfront capital infusion in public sector banks to alleviate liquidity concerns, reduced corporate tax rates to revive private investments. These measures taken by the Government are even looking meager due to huge dent in the economic activities and shown slow movements in the revival of the economy.

Your Company being in Agrochemicals sector had slight advantage of being covered under essential goods and allowed to resume operations shortly after the initial phase of lockdown. Yet we have to be very cautious at the manufacturing sites and have to adhere all safety measures for the safety and health of workers. Your



Company is a manufacturer of some important Agro Chemicals and Specialty Chemicals, therefore, may have little impact, provided there is no disturbance in the supply of raw materials and availability of required manpower. There is a regular flow of orders which has boosted the morale. However, even in all these circumstances, the Company has to remain vigilant to keep the operations of the plant at economical level despite various restrictions and precautionary measures advised by the Government. It looks that the effect due to international factors and the loss in the initial lockdown period will soon be over and we can hope for the improvement in the time to come.

The operational working for the financial year 2019-20 along with other related information, statutory reports are available in the Annual Report. On the operational front you will find that working results during the year was not as promising as last year. The main reason for the 13% reduced sale and less PBT by 16% in the year under review was less off take of products in the last quarter of the financial year 2019-20 in view of disturbances in the international market due to COVID-19. In addition, there was reduction in the sale price of few products and booking of some extra ordinary expenses during the year.

In spite of reduced profit before tax of last year, the Board of Directors decided to recommend the dividend of 15% i.e. ₹1.50 per equity share for the financial year 2019-20 which is same as of last year.

I am happy to share that as usual the Agro Chemicals Division, Derabassi has the highest sales turnover of 68%, Specialty Chemicals plant, Lalru 22% and Industrial Chemicals Division, Pune 7% of the total revenue. In addition to the direct sales, both Derabassi and Lalru Units have undertaken toll manufacturing, when and wherever available to augment its revenue generation. The consolidated revenue of the Company during the year under review was ₹ 563 crore with a PBT of ₹ 22 crore against revenue of ₹650 crore and PBT of ₹29 crore of previous year. The Company has one wholly owned Subsidiary Company, SD Agchem and sells only products supplied by the holding Company.

The rehabilitation of the plant which was damaged in the fire last year is in full swing and expected to be in

operation shortly. The delay in setting up the plant was due to stoppage of work for around four months due to COVID - 19. Final insurance claim is under process at the level of the Surveyor and the Insurance Company. As informed earlier, partial claim amount has received.

As per the policy, the Company will continue to curtail expenses, wherever possible and would continue to take up toll manufacturing of MNC of various products as per their requirement. The Company has been slowly repaying its debts taken from the Promoter and other Companies to pay One Time Settlement (OTS) amount to the banks.

I am also happy to inform that as per the target fixed last year, the IT infrastructure has been upgraded in the Company as per the requirement. The implementation of ERP-SAP B1 HANA and HRMS-4 are going to play important role in the growth of the Company. Simultaneously, the required upgradation of hardware and networking domain has also taken place.

The efforts of all the employees to work with full sincerity and with enthusiasm in this difficult time are laudable. The Company could perform in this critical time only due to the positive approach and sincerity of all employees. The Company has taken all preventive checks and procedure for the safety of the employees. The Board of Directors placed on record a deep sense of gratitude and appreciation for the contribution and whole hearted support of the employees. The guidance, confidence and support of Shri Shalil Shroff, Managing Director to his team is the key factor of success. The team is fully conscious of keeping in mind the vision given by our mentor late Shri S.D. Shroff to run 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**

**COMPANY INFORMATION**

<b>CHAIRMAN EMERITUS</b>	GHATTU RAMANNA NARAYAN
<b>CHAIRMAN</b>	MUKESH DAHYABHAI PATEL
<b>BOARD OF DIRECTORS</b>	SHALIL SHASHIKUMAR SHROFF, Managing Director CAPT. SURJIT SINGH CHOPRA (Retd.) VIJAY DILBAGH RAI SHEO PRASAD SINGH ARUNA RAJENDRA BHINGE SHIVSHANKAR SHRIPAL TIWARI AVTAR SINGH, Director (Operations & Business Development)
<b>SR. V.P. (FINANCE) &amp; COMPANY SECRETARY</b>	PUNIT KUMAR ABROL
<b>CHIEF FINANCIAL OFFICER</b>	DR (HC) SRIRAM SWAMINATHAN (w.e.f. 01-04-2020)
<b>BANKERS</b>	RBL BANK LIMITED BANK OF BARODA
<b>AUDITORS</b>	B S R & CO. LLP Chartered Accountants
<b>REGISTERED OFFICE</b>	Milestone 18, Ambala Kalka Road, Village & P.O.: Bhankharpur, Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab-140201. Tel: 01762-280086/280094 Fax: 01762-280070 Email: <a href="mailto:info@punjabchemicals.com">info@punjabchemicals.com</a> Website: <a href="http://www.punjabchemicals.com">www.punjabchemicals.com</a>
<b>CORPORATE OFFICE</b>	PLOT NO. 645-646, 5TH FLOOR, OBEROI CHAMBERS II NEW LINK ROAD, ANDHERI (WEST), MUMBAI - 400 0 53 Tel: 022-26747900 Fax: 022-26736193 Email: <a href="mailto:enquiry@punjabchemicals.com">enquiry@punjabchemicals.com</a>
<b>MANUFACTURING UNITS</b>	DERABASSI AND LALRU (PUNJAB) PUNE (MAHARASHTRA)
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	ALANKIT ASSIGNMENTS LTD., RTA DIVISION, ALANKIT HEIGHTS 4E/2, Jhandewalan Extension, New Delhi-110055 Tel: 011-42541234/23541234, Fax: 011-41543474 Email: <a href="mailto:rta@alankit.com">rta@alankit.com</a> Website: <a href="http://www.alankit.com">www.alankit.com</a>



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#### **44TH ANNUAL GENERAL MEETING**

Friday, the 25th September, 2020 at 10:00 A.M. through Video Conferencing (VC) /  
Other Audio Visual Means (OAVM) facility  
Book Closure Dates: 18th September, 2020 to 25th September, 2020



## **PUNJAB CHEMICALS AND CROP PROTECTION LIMITED**

CIN No. : L24231PB1975PLC047063

Registered Office: Milestone 18, Ambala Kalka Road, Village & P.O Bhankharpur, Derabassi, Dist.  
SAS Nagar, Mohali (Punjab)- 140201,

Telephone Nos.: 01762- 280086, 280094 Fax Nos.: 01762-280070

E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com

### **NOTICE**

**NOTICE** is hereby given that the 44th (Forty Fourth) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility on Friday, the 25<sup>th</sup> September, 2020 at 10.00 a.m. to transact the following business:

#### **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company (Standalone and Consolidated) for the financial year ended on March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.

“RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company, Report of the Board of Directors and the Auditors’ thereon for the financial year ended on March 31, 2020 alongwith Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted.”

2. To declare a dividend on Equity Shares of the Company for the financial year ended March 31, 2020.

“RESOLVED THAT the Dividend at the rate of Rs. 1.50/- per share on 1,22,62,185 Equity Shares of Rs. 10/- each aggregating to Rs. 1,83,93,238/- as recommended by the Board of Directors be and is hereby approved.”

3. To appoint a Director in place of **Capt. Surjit Singh Chopra (Retd)** (DIN: 00146490), who retires by rotation and being eligible, offers himself for re-appointment.

“RESOLVED THAT **Capt. Surjit Singh Chopra (Retd)** (DIN: 00146490), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation.”

#### **Special Business:**

4. Continuation of directorship of **Capt S.S. Chopra (Retd.)** (DIN:00146490) as a Non-Executive Non Independent Director of the Company, who has already attained the age of 75 years.

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



"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and rules made thereunder including any statutory modification(s) or re-enactment, Regulation 17 (1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as amended, approval of the members of the Company be and are hereby accorded for continuation of directorship of Capt S.S. Chopra (Retd) (DIN:00146490), who has already attained the age of 75 years, as a Non-Executive Non Independent Director of the Company, liable to retire by rotation till the expiry of his present term on the existing terms and conditions."

**5. To appoint Smt. Aruna Rajendra Bhinge (DIN: 07474950) as an Independent Woman 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, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Aruna Rajendra Bhinge (DIN: 07474950), who was appointed as the Director of the Company w.e.f. 29<sup>th</sup> May, 2018 be and is hereby appointed as Independent Woman Director of the Company on the recommendations of Nomination and Remuneration Committee and the Board of Directors w.e.f. 1<sup>st</sup> April, 2020 for a period of five years on meeting the criteria of independence as required in Section 149(6) of the Act and Regulation 16(1)(b) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom, the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature as an Independent Woman Director of the Company, not liable to retire by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary for giving effect to the aforesaid Resolution."

**6. To re-appoint Shri Sheo Prasad Singh (DIN: 06493455) as an Independent Director.**

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 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended from time to time, Shri Sheo Prasad Singh (DIN: 06493455) who was appointed as an Independent Director of the Company at the thirty-ninth Annual General Meeting of the Company and holds office till the conclusion of 44<sup>th</sup> Annual General Meeting be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation and in respect of whom the Company has received a Notice in writing from a





member proposing his candidature for the office of Independent Director for the second term of five (5) consecutive years from the conclusion of 44th Annual General Meeting till the conclusion of 49th Annual General Meeting of the Company to be held in the year 2025.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary, for giving effect to the aforesaid Resolution."

**7. To ratify the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2021.**

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

"RESOLVED THAT pursuant to 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), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Company be and is hereby accorded to pay remuneration of Rs. 1,50,000/- (Rupees one lac fifty thousand only) plus GST thereon and reimbursement of out of pocket expenses at actuals to M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) who has been appointed by the Board as Cost Auditors of the Company for the financial year 2020-2021.

RESOLVED FURTHER THAT the Board or any officer authorised by the Board 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. In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA'), Government of India, permitted to conduct the Annual General Meeting ('AGM') through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal present of the members at the meeting vide its circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and also prescribed the specified procedure to be followed for conducting the AGM through VC/OAVM. The deemed venue for the meeting shall be registered office of the Company at Milestone 18, Ambala Kalka Road Bhankharpur, Derabassi Dist. S.A.S Nagar, Mohali-140201.

2. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA circulars, the 44th AGM of the members will be held through video conferencing ('VC') or other audio visual means ('OAVM'). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (**Refer serial no. 34**) and the same will also be available at the website of the Company at [www.punjabchemicals.com](http://www.punjabchemicals.com) under the Investor Section.



3. The Company has appointed Central Depository Services (India) Limited (CDSL) to provide VC/OVAM facility for the AGM of the Company.

4. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members and members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The explanatory statement pursuant to Section 102(1) of the Act, which sets out details relating to Special Businesses at the meeting, is annexed hereto.

8. Institutional/Corporate members are encouraged to attend and vote at the meeting through VC/OVAM. We also request them to send, a duly certified copy of the Board Resolution authorizing their representative to attend the AGM through VC/OAVM and vote through remote e-voting on its behalf at [info@punjabchemicals.com](mailto:info@punjabchemicals.com) and / [investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com), pursuant to Section 113 of the Companies Act, 2013.

9. In case of Joint Holders attending the AGM, only such Joint Holder whose name appear first in the order of names will be entitled to vote.

10. Only bona fide members of the Company whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

11. The Register of Directors and Key Managerial Personnels and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to seek inspect, may send their request through an email at [investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com) up to the date of AGM.

12. Members holding shares in Electronic (Demat) form are advised to inform the particulars of their bank account, change of postal address and email IDs to their respective Depository Participants only. The Company or its RTA i.e. Alankit