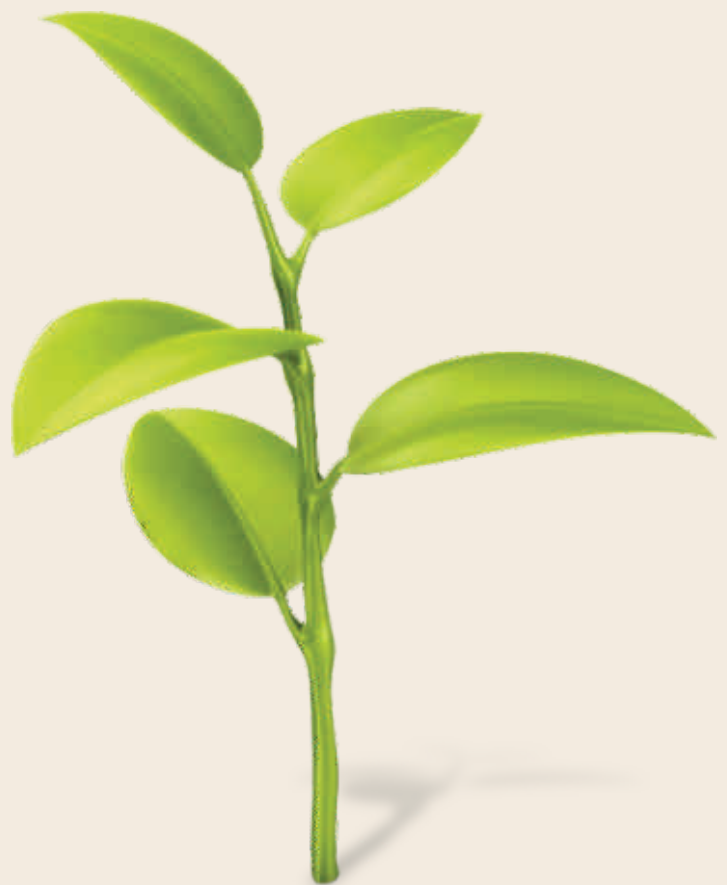


# 40<sup>th</sup> ANNUAL REPORT and ACCOUNTS 2015-16



**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

<b>CHAIRMAN EMERITUS</b>	GHATTU RAMANNA NARAYAN
<b>CHAIRMAN</b>	MUKESH DAHYABHAI PATEL
<b>BOARD OF DIRECTORS</b>	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)
<b>SR. V.P. (FINANCE) &amp; COMPANY SECRETARY</b>	PUNIT KUMAR ABROL
<b>CHIEF FINANCIAL OFFICER</b>	VIPUL JOSHI
<b>BANKERS</b>	BANK OF BARODA EXPORT-IMPORT BANK OF INDIA ALLAHABAD BANK UNION BANK OF INDIA CENTRAL BANK OF INDIA
<b>AUDITORS</b>	S R B C & CO. LLP Chartered Accountants
<b>REGISTERED OFFICE</b>	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
<b>CORPORATE OFFICE</b>	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
<b>MANUFACTURING UNITS</b>	AGRO CHEMICALS DIVISION - PCCPL, DERABASSI PHARMA DIVISION - ALPHA DRUGS, LALRU INDUSTRIAL CHEMICALS DIVISION, PUNE
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	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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### 40<sup>TH</sup> 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 (40<sup>th</sup>) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on Friday, the 9<sup>th</sup> 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](http://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](http://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:

- The shareholders should log on to e-voting website '**www.evotingindia.com**' during the voting period.
- Click on "**Shareholders**" tab.
- Now, enter User ID, captcha and password as per the instructions given below:

<b>User-ID</b>	<ol style="list-style-type: none"> <li>For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID</li> <li>For CDSL:- 16 Digits Beneficiary ID</li> <li>Members holding shares in Physical Form should enter Folio Number registered with the Company</li> </ol>				
<b>Captcha</b>	Next enter the Image Verification as displayed and Click on 'LOGIN'				
<b>Password</b>	<ol style="list-style-type: none"> <li>If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.</li> <li>If you are a first time user follow the steps given below: <b>For Members holding shares in Demat Form and Physical Form</b> <table border="1"> <tr> <td>PAN</td> <td> <ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>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. <b>The Sequence Number is printed on the Postal Ballot Paper.</b></li> </ul> <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> </td> </tr> <tr> <td>Date of Birth (DOB) or Dividend Bank Details</td> <td> <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> </td> </tr> </table> </li> </ol>	PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>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. <b>The Sequence Number is printed on the Postal Ballot Paper.</b></li> </ul> <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>
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>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. <b>The Sequence Number is printed on the Postal Ballot Paper.</b></li> </ul> <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 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
31. Note for Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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](mailto: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](http://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](http://www.evotingindia.com) under "HELP" section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://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/-

Date: June 1, 2016  
Place: Chandigarh

**Punit K Abrol**  
Sr. V.P. (Finance) & Company Secretary

**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

S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E) were appointed Statutory Auditors for a period of three (3) consecutive years by the Members of the Company to hold office until the conclusion of the Forty first (41st) Annual General Meeting (AGM). As per the provisions of Section 139 of the Companies Act, 2013 (the 'Act') the said appointment is required to be ratified by the Members at every AGM.

S R B C & Co. LLP, Chartered Accountants have confirmed that the appointment, if ratified, shall be in accordance with the conditions as prescribed in Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

Pursuant to the recommendation of the Audit Committee, your Board recommends the ratification of the appointment of S R B C & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM to be held in the calendar year 2017 at such remuneration as recommended by the Audit Committee and fixed by the Board of Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

### ITEM NO.4:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 as per the following details:

Sr. No.	Name of the Cost Auditor	Industry	Audit fees (Amount in Rs.)
1.	Smt. Pushpa Khanna, Cost Accountants, Chandigarh (Membership No. M5604)	Organic & Inorganic Chemicals and Insecticides etc.	36,000 plus service tax and out of pockets expenses.
2.	M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No.100123)	Bulk Drugs	27,500 plus service tax and out of pockets expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

By order of the Board of Directors  
Sd/-

**Punit K Abrol**

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

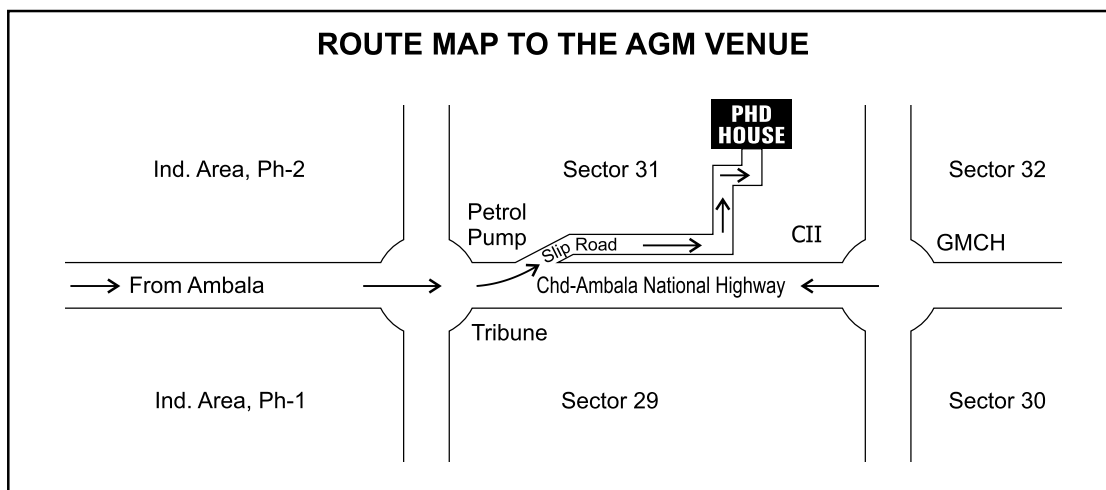
Date: June 1, 2016

Place: Chandigarh

### Registered Office:

SCO: 183, First Floor, Sector-26

Madhya Marg, Chandigarh- 160019





## DIRECTORS' REPORT

### TO THE MEMBERS,

1. Your Directors are pleased to present the 40th Annual Report alongwith Audited Standalone and Consolidated financial statements of the Company for the financial year ended March 31, 2016.

### 2. FINANCIAL RESULTS:

The summarized financial statement for the year under review is given below:

(Rupees in Lacs)

Particulars	Consolidated*		Standalone	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations and Other Income	55404	58804	36975	42028
<b>Earning before Interest, Depreciation &amp; Tax &amp; Exceptional item (EBIDTA)</b>	<b>5671</b>	7053	<b>3816</b>	5501
Depreciation/Amortisation	1675	1917	1544	1758
Finance Cost	4966	3472	2147	3170
<b>Profit / (Loss) before Tax &amp; Exceptional item</b>	<b>(970)</b>	1664	<b>125</b>	573
<b>Exceptional (Expenses) / Income</b>	<b>2352</b>	(217)	<b>3446</b>	(217)
<b>Profit before Tax (PBT)</b>	<b>1382</b>	1447	<b>3571</b>	356
Tax Expenses:				
Pertaining to current period	167	63	122	-
Mat Credit entitlement	(113)	-	(113)	-
<b>Total Tax Expenses</b>	<b>54</b>	63	<b>9</b>	-
<b>Profit after Tax (PAT)</b>	<b>1328</b>	1384	<b>3562</b>	356
Share of profits in associate for current year	-	36	-	-
<b>Net Profit</b>	<b>1328</b>	1420	<b>3562</b>	356
<b>Earning per share (EPS)</b>				
Basic and diluted (in Rs.) (not annualized)	<b>10.83</b>	11.58	<b>29.05</b>	2.91

### Notes:

- \*Consolidated accounts consist of standalone and overseas subsidiary Companies and Joint Venture Company with the proportion of shareholding by group.
- Previous period figures under different heads have been regrouped to the extent necessary.

### 3. DIVIDEND:

The Directors considered the overall financial position of the Company and keeping in view the net deficit after adjusting the current year profit in the statement of Profit and Loss Account, regret their inability to recommend any dividend.

### 4. TRANSFER TO RESERVES:

The profit in the standalone results have been adjusted towards the accumulated losses of the earlier years. Therefore, no amount could be transferred to General Reserve Account.

### 5. STANDALONE OPERATIONS:

The year commenced with a decrease in sales volume of two of its key products and reduction in the job work in the first quarter due to stock build up in the final market place. The Company took initiatives to add new products to its portfolio. This partially compensated for the loss, in the subsequent

quarters. However, the volumes that the new products could generate were not enough.

The Company closed the year under review with total revenue of Rs. 370 crores against Rs. 420 crores in the previous year which was less by 12%. The net profit was Rs. 35.62 crores (with exceptional income of Rs. 34.46 crores). The profit last year with no exceptional income was Rs. 3.56 crores.

The Company concluded the One Time Settlement (OTS) of debts with State Bank of India (SBI) by fulfilling the requisite conditions, payments of Rs. 45.50 crores and Rs. 3.58 crores (received from the sale of 1,50,000 shares of the Company, pledged exclusively with SBI by the promoters). As a result Rs. 45.77 crores were written back against total outstanding of Rs. 94.85 crores during the year. However, after adjusting cost of some of the impaired assets (writing off of scrapped assets), the net exceptional income was Rs. 34.46 crores.



During the year, the Company continued to prune the debt by disposing off non-core assets and non-profitable businesses. The office floors of the Company in Mumbai were sold. The surplus land at Tarapur was also disposed off. The amounts realized from these sales were used to repay part of the debt.

## 6. OPERATIONS OF SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

Your Company has three overseas subsidiaries namely- SD AgChem (Europe) NV, Sintesis Quimica, S.A.I.C, Argentina, and STS Chemicals (UK) Ltd. During the year under review, the operations of the overseas subsidiaries were as follows:

- (i) The total income of SD Agchem (Europe) NV was Rs. 19.64 crores with net profit of Rs. 8.98 crores, compared to the Income of Rs. 16.39 crores and Profit of Rs. 6.49 crores in the last year.

State Bank of India, Antwerp has approved One Time Settlement (OTS) of debt of \$2.66 million of existing borrowings of SD Agchem (Europe) NV with compromise amount of \$1.850 million. Initial amount of \$1.4 million has been paid in the month of May, 2016 to comply with the conditions of OTS. The balance of compromise amount will be paid in instalments upto 8th December, 2016 and the amount not to be paid has been written back during the year under review.

As for the export receivables, which are overdue from SD Agchem, the Company has received approval from the Reserve Bank of India under Regulation 11 of Notification No. FEMA 120/RB-2004 to convert the receivables into additional investments. The Company is in the process to obtain the necessary regulatory and other approvals to comply with the same. However no accounting adjustments have been made so far to take conversion into effect.

- (ii) The total revenue of Sintesis Quimica, S.A.I.C, Argentina (SQ), subsidiary company was Rs. 169.73 crores with a net loss of Rs. 41.06 crores compared to revenue of Rs. 147.94 crores and net profit of Rs. 1.73 crores during the previous year. The company has shown rise of 15% in sales due to increase in toll manufacturing activities for multinational companies. The higher operational expenses; Rs. 16 crores on account of devaluation of Peso (local currency), Rs 14 crores of exorbitant interest and penalty and statutory dues imposed by the Government have increased the loss during the year.

The arrangement of toll manufacturing helped the subsidiary to work with less working capital. However, old debt still remains a matter of concern. The challenge is to pay instalments under the debt restructuring arrangement entered under Chapter XI of the Argentinian laws.

During the year, SQ has revalued its land and building by Rs. 54 crores, which along with other reserves has resulted in positive net worth of SQ. The financial statements of SQ were prepared in accordance with valuation criteria applicable to a going concern.

The Management is exploring various options and hoping to explore different potentials of SQ to restore its health.

- (iii) STS Chemicals (UK) Limited, another Subsidiary and Stellar Marines Ltd., the Joint Venture of the Company, did not have any operations during the year under review. Their accounts have been consolidated but have no major impact on the financial results of the Company.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiary and joint venture companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary and joint venture companies to the stakeholders upon their request. The statements are also available on the website of the Company [www.punjabchemicals.com](http://www.punjabchemicals.com) under the heading Financials.

The Policy for determining material subsidiaries, adopted by the Board of Directors, pursuant to Regulation 16 of the SEBI (LODR) Regulations, 2015 (hereinafter called as "Listing Regulations") can be accessed on the Company's weblink <http://punjabchemicals.com/companypolicy.html>

## 7. CONSOLIDATED RESULTS:

As stipulated by Regulation 33 of the Listing Regulations, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The consolidated accounts during the period under review show that the total revenue of Rs. 554 crores with a net profit of Rs. 13.28 crores after net exceptional income of Rs. 23.52 crores against the total income of Rs. 588 crores and net profit of Rs. 14.20 crores in the previous period.

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

**Pursuant to Section 129 (3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each of the subsidiary and joint venture in the prescribed Form AOC 1 is annexed to this report at Annexure 1.**



## 8. STATE OF AFFAIRS OF THE COMPANY:

The State of Affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this Annual Report.

## 9. OUTLOOK:

Agrochemicals have major role in catering to the demand of farmers by increasing per hectare production and remain a major focus of the Government. As per one of the study, agro chemical market is expected to grow with a compound annual growth rate of 3.9% up to the year 2021.

Barring unforeseen circumstances, your Company also expects to grow with the sector.

## 10. FINANCE:

As stated earlier, One Time Settlement (OTS) with State Bank of India (SBI) for the debts of the Company is concluded after fulfilment of the required conditions. The adjustments in the books of account have been carried out in this regard.

The Company has not raised any additional borrowing during the year.

Regarding OTS with State Bank of India, Antwerp for the debts in the overseas subsidiary, details have been given above at point no. 6 under the head 'Operations of Subsidiaries'.

## 11. PUBLIC DEPOSITS:

Your Company had not accepted any Public Deposits under Chapter V of the Companies Act, 2013.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a) Changes in the composition of the Board of Directors and other Key Managerial Personnel:

As already reported in the last Annual Report, Shri Ghattu Ramanna Narayan has resigned as Director and Chairman from the Board of the Company. The Board of Directors thereafter appointed Shri Mukesh D Patel as the Chairman of the Board and the Company.

The members have appointed Shri Sheo Prasad Singh (DIN: 06493455) as an Independent Director for a term of five (5) years i.e. up to the conclusion of 44th Annual General Meeting of the Company.

Members have also appointed Shri Shivshankar Shripal Tiwari (DIN: 00019058) as a Director of the Company, who is liable to retire by rotation.

There was no appointment or cessation of Key Managerial Personnel during the year.

### b) Independent Directors:

As required under Companies Act, 2013, the Company has three Independent Directors on the Board of the Company namely Shri Mukesh D Patel (DIN:00009605), Shri Vijay

Dilbagh Rai (DIN:00075837) and Shri Sheo Prasad Singh (DIN:06493455).

The Independent Directors have given the required undertaking for compliance of the criteria of independence laid down in Section 149 (7) of the Companies Act, 2013. The same has been received and placed before the Board in its meeting held on 30th May, 2016.

It may be noted that none of the Independent Director will retire in the ensuing Annual General Meeting.

### c) Retirement by rotation:

In terms of Section 152 of the Companies Act, 2013 and the provisions of the Articles of Association of the Company, Capt. S.S. Chopra (Retd.) (DIN:00146490), Director of the Company retires by rotation at the forthcoming Annual General Meeting. Capt. S.S. Chopra (Retd.), being eligible, has offered himself for re-appointment.

The Board of Directors recommend re-appointment of Capt. S.S. Chopra (Retd.) as Director of the Company, liable to retire by rotation.

The brief resume and other details relating to him as stipulated under Regulation 36(3) of SEBI (LODR) Regulations, 2015, are furnished in the Corporate Governance Report forming part of the Annual Report.

The Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Other details of the Directors have been given in the Corporate Governance Report attached to this Report.

### d) Committees of the Board:

The Company's Board has constituted the required Committees prescribed under the Companies Act and the Listing Regulations.

The details of Composition of the Committees and Attendance of the Committee Members in the meetings is given in the Corporate Governance Report forming part of this Annual Report.

## 13. LISTING WITH STOCK EXCHANGES:

The Company's shares continue to be listed at the National Stock Exchange of India Limited and BSE Limited. The Annual Listing fee for the financial year 2016-17 has been paid to these Exchanges.

## 14. ENVIRONMENTAL MANAGEMENT AND POLLUTION CONTROL:

The management is fully conscious of its responsibilities for safe and healthy environment in and around of its



manufacturing sites. Environment, health and safety are always given the top priority in the overall functioning of the Company. Requisite measures have been taken to control wastes and emissions from the plants. The Company has set up Effluent Treatment Plant (ETP) along with incinerator to treat the waste material inside the factory.

## 15. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY:

### i) Welfare Activities:

The Company through SDS Memorial Trust has taken up various social works for the betterment of the society.

The Company continues to organize a 'Blood Donation Camp' in the memory of Late Shri S.D. Shroff on 18th December every year. Around 61 employees donated blood this year.

### ii) Corporate Social Responsibility:

Company's Corporate Social Responsibility Policy has been posted on the website of the Company under weblink <http://punjabchemicals.com/companypolicy.html> in compliance with the Disclosure about CSR Policy Rules, 2014.

During the year under review, the Company was to spend Rs. 11.81 lacs based on the average net profit of the last three years on various activities for social welfare. Accordingly, the activities like medical camps, toilets and drinking water facilities in schools and upgradation of facilities in the government hospitals were taken up under CSR programme. Rs. 10.29 lacs have been spent on these activities. The balance amount of Rs. 1.52 lacs will be spent on the ongoing construction of toilet in the Government School at Lalru.

The amount of Rs. 0.66 lacs remained unspent during the year 2014-15, have also been spent on construction of toilet in the school in the year under review.

The detailed report as required in the Companies (CSR Policy) Rules, 2014 has been given separately in the prescribed format as **Annexure 2**.

For other details regarding the CSR Committee, please refer to Corporate Governance Report, which forms part of this Report.

## 16. RESEARCH & DEVELOPMENT AND QUALITY CONTROL:

The regular R&D activities continue in the laboratories of Agro Chemicals and Pharma Division. The activities are undertaken to improve upon the existing processes, decrease effluent load and to develop new products and by-products.

The Quality Control is the strength of the Company. All finished products passes through stringent quality checks to ensure that the customer always gets the promised products.

## 17. INSURANCE:

The Company has taken adequate insurance policies for its assets against the possible risks like fire, flood, public liability, marine, etc.

## 18. EMPLOYEES AND INDUSTRIAL RELATIONS:

The Company has the cordial, harmonious and healthy relations with all level of the employees of the Company. Welfare activities are undertaken for the employees within the available means. The employees are encouraged to upgrade their skill and knowledge.

The Board of Directors placed on record their sincere efforts and hard work done by the key employees to bring the turnaround in the Company. Their sense of belongingness is noteworthy and appreciated.

## 19. REGISTRAR AND SHARE TRANSFER AGENT:

M/s Alankit Assignments Ltd., Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi, are the Registrar and Share Transfer Agent of the Company for the Physical as well as Demat shares. The members are requested to contact the Registrar directly for any of their requirements.

## 20. EXTRACT OF THE ANNUAL RETURN:

The information required under Section 134 (3) (a) of the Companies Act, 2013 (the Act) read together with Section 92 (3) of the Act regarding extract of the Annual Return is appended hereto as **Annexure 3** and forms part of this Report.

## 21. NUMBER OF MEETINGS OF THE BOARD:

The Board met five (5) times during the Financial Year 2015-16, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

## 22. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under sub section 3 (c) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,



2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis;
- e) the Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **23. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of Executive and Independent directors to maintain the independence of the Board and separate its function of governance and management. As on March 31, 2016, the Board consists of 8 Members, 2 of whom are Executive Directors and 3 are Independent Directors. The Board periodically evaluated the need for change in its composition and size.

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy under Section 178 (3) of the Companies Act, 2013 which lays down criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel. The same is appended as **Annexure 4** and can be assessed at the weblink <http://punjabchemicals.com/companypolicy.html>.

### **24. AUDITORS' REPORTS:**

#### **a. Statutory Auditor Report:**

The Auditors Report on Standalone and Consolidated Financial Statements do not contain any qualification, reservation or adverse remarks.

#### **b. Secretarial Audit Report:**

The Secretarial Audit Report for the financial year 2015-16 is annexed to this Report as **Annexure 5** and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Particulars relating to loans and guarantees or investments under section 186 of the Companies Act, 2013 is provided in the Note 34 to the standalone financial statement.

### **26. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the

ordinary course of business. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at weblink <http://punjabchemicals.com/companypolicy.html>.

Your Directors draw attention of the Members to Note no. 32 to the standalone financial statements which set out related party disclosure.

All related party transactions are placed before the Audit Committee for their approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus and specific approval are reviewed periodically by the Audit Committee.

Form AOC-2 pursuant to clause (h) of sub-section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure 6** and forms part of this Report.

### **27. MATERIAL CHANGES AND COMMITMENTS, IF ANY:**

No material changes and commitments have occurred between the end of the financial year and the date of the Report which has the affect on the Financial Statements.

### **28. PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure 7** and forms part of this Report.

### **29. RISK MANAGEMENT:**

Pursuant to Schedule V of SEBI (LODR) Regulation, 2015, the Company has constituted a Risk Assessment Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, forming part of the Board's Report.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has formulated Risk Management Policy which is posted at the website of the Company under weblink <http://punjabchemicals.com/companypolicy.html>.

The Audit Committee also oversee the area of financial risks and controls.





### 30. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of the directors individually, of the Chairman and of the Board as a whole. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### 31. DETAILS OF FAMILIARIZATION PROGRAMME:

The details of programme for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link <http://punjabchemicals.com/companypolicy.html>

### 32. PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures pertaining to remuneration and other details of the concerned employees is annexed as **Annexure 8**.

### 33. WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company and can be assessed at weblink <http://punjabchemicals.com/companypolicy.html>. No such case has been reported during the year under review.

### 34. INTERNAL FINANCIAL CONTROLS

The Company has built up a mechanism of robust internal controls to prevent frauds with reference to the financial activities. For the financial year 2015-16, the Board of Directors assigned the responsibility of monitoring these controls to the Internal Auditor. In compliance of these directions, the Internal Auditor had scrutinized the working and checked all the controls thoroughly to find out deviations, if any.

### 35. POLICY ON PREVENTION OF SEXUAL HARRASMENT AT WORKPLACE

The Company has a policy on prevention of "Sexual Harassment" at work place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An appropriate complaint mechanism has been prescribed in the policy and "Complaint Redressal Committee" has been formed to redress the complaints made by any victim in a time-bound manner.

### 36. CEO/CFO CERTIFICATION:

In terms of the Listing Regulations, the Certificate duly signed by Shri Shalil Shroff, Managing Director (CEO) and Shri Vipul Joshi, Chief Financial Officer (CFO) of the Company was placed before the Board of Directors along with the annual financial

statements for the year ended on March 31, 2016, at its meeting held on May 30, 2016. The said Certificate is also annexed to the Corporate Governance Report.

### 37. AUDITORS:

At the Annual General Meeting (AGM) held on September 23, 2014, M/s S R B C & Co. LLP., Chartered Accountants, Mumbai, (Membership No.: 49365) were appointed as the Statutory Auditor of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017, subject to ratification of such appointment at every subsequent Annual General Meeting.

In this regard, Members are requested to consider and ratify their appointment on a remuneration to be decided by the Board from the conclusion of the ensuing Annual General Meeting to the conclusion of Annual General Meeting to be held in the year 2017.

M/s S R B C & Co. LLP., Chartered Accountants has given a certificate to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 139(1) and 141 of the Companies Act, 2013.

### 38. SECRETARIAL AUDITORS:

The Board upon recommendation of the Audit Committee has reappointed M/s. P.S. Dua & Associates, Company Secretaries (CP No. 3934), as the Secretarial Auditor of the Company for the financial year 2016-17, in terms of Section 204 of the Companies Act, 2013 and Rules thereunder.

### 39. COST AUDITORS:

The Board of Directors upon recommendation of the Audit Committee appointed Mrs. Pushpa Khanna, Cost Accountant, Chandigarh and M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar as Cost Auditors of the Company for conducting cost audit of the record of "insecticides" and "bulk drugs" respectively maintained by the Company for the financial year 2016-17. They have submitted a certificate of eligibility for the appointment.

The Audit Committee has nominated Mrs. Pushpa Khanna, Cost Accountant, Chandigarh as the Lead Auditor of the Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought in the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2014-15 has been filed and the report for the year under review will be filed before the due date.

### 40. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

As required under 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 amount lying with the Company as on September 11, 2015 (date of last Annual General Meeting) on the Company's website of the Company at weblink <http://punjabchemicals.com/unclaimedunpaidamount.html>, as also on the Ministry of Corporate Affairs' website.

#### **41. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT:**

##### **(i) MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report on Company's performance, industry trend and other material changes with respect to the Company and subsidiaries have been given separately in the Annual Report as required under para B of Schedule V of SEBI (LODR) Regulations, 2015.

##### **(ii) CORPORATE GOVERNANCE REPORT:**

The Company strives to maintain the required standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement with the Stock Exchanges. The Report on Corporate Governance in accordance with para C of Schedule V of SEBI (LODR) Regulations, 2015 forms integral part of this Report.

The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance

#### **42. GENERAL:**

Your Directors state that:

- a) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- b) There is no change in the nature of business of the Company.

#### **43. ACKNOWLEDGEMENT:**

The Directors wish to place on record their appreciation for the efficient and loyal services rendered by each and every employee of the Company. The Directors would also like to thank the employee union, other stakeholders viz. customers, dealers, suppliers, bankers, and all the other business associates for their co-operation and faith in the Company.

For and on behalf of  
the Board of Directors

Place : Mumbai  
Date : May 30, 2016

**MUKESH D PATEL**  
**CHAIRMAN**  
**DIN:00009605**



## ANNEXURE 1 TO THE DIRECTORS' REPORT

**FORM AOC.1**

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures  
Part "A": Subsidiaries**

(Rs. In lacs)

S.No.	Name of the subsidiary	Sintesis Quimica S.A.I.C.		SD Agchem (Europe) NV		STS Chemicals (UK) Limited
		Current Year	Previous Year	Current Year	Previous Year	Current Year
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same Reporting Period		Same Reporting Period		Same Reporting Period
2.	Reporting Currency	Peso	Peso	Euro	Euro	Sterling Pounds
3.	Exchange rate as on 31.03.2016	4.80	8.72	75.42	67.08	95.25
4.	Share capital	96	174	5021	4466	2
5.	Reserves & Surplus	714	(2973)	(9664)	(9443)	(114)
6.	Total Assets	11039	7897	1640	2110	125
7.	Total Liabilities	10229	10696	6283	7087	237
8.	Investments	-	-	-	-	124
9.	Turnover	16973	14802	1964	1639	-
10.	Profit before Taxation	(4106)	173	945	652	(65)
11.	Provision for Taxation	-	60	45	3	-
12.	Profit after Taxation	(4106)	112	900	649	(65)
13.	Proposed Dividend	-	-	-	-	-
14.	% of Shareholding	*100	100	100	100	100
15.	Country	Argentina	Argentina	Belgium	Belgium	U.K.

**Note:**

- \*Investment in Sintesis Quimica is through SD Agchem (Europe) NV and STS Chemicals (UK) Limited, wholly owned Subsidiaries of the Company.
- Previous year STS Chemicals (UK) Limited was not considered for consolidation.

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sl. No.	Name of Associates/Joint Ventures	Stellar Marine Paints Limited	
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
1.	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
2.	Shares of Associate/Joint Ventures held by the company on the year end		
	Number	22470	22470
	Amount of Investment in Associates/Joint Venture	Rs. 224700	Rs. 224700
	Extend of Holding %	45%	45%
3.	Description of how there is significant influence	Shareholding above 20%	Shareholding above 20%
4.	Reason why the associate/joint venture is not consolidated	NA	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	-118.84	-115.97
6.	Profit / Loss for the year	-2.91	-0.24
i)	Considered in Consolidation	-1.30	-0.11
ii)	Not Considered in Consolidation	-1.61	-0.13

**MUKESH D PATEL**  
Chairman

**SHALIL SHROFF**  
Managing Director

**AVTAR SINGH**  
Director (Operations & Business Development)

Place: Mumbai  
Date: May 30, 2016

**PUNIT K ABROL**  
Sr.V.P. (Finance) & Company Secretary

**VIPUL JOSHI**  
Chief Financial Officer



**ANNEXURE 2 TO THE DIRECTORS' REPORT**

**DETAILS ON CSR ACTIVITIES OF THE COMPANY  
FOR THE FINANCIAL YEAR 2015-16**

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	<p>The Company firmly believes in Corporate Social Responsibilities (CSR) and commits to take initiatives to contribute to harmonious and suitable development of the Society and its inhabitants. The Company shall pursue CSR activities to carry out the welfare work directly and/ or through other Institutions involved in welfare of society in general.</p> <p>The Company shall give preference to local areas of the manufacturing sites of the Company. The activities undertaken during the year included the followings:</p> <ol style="list-style-type: none"> <li>1. Construction/Renovation of Toilets in Schools.</li> <li>2. Providing Safe Drinking Water facility in Schools.</li> <li>3. Upgrading of medical facilities in Government Hospitals.</li> <li>4. Organized Medical Camps.</li> <li>5. Organized Eye Operation Camps.</li> </ol> <p>The Company's CSR Policy can be viewed at the website of the Company at <a href="http://www.punjabchemicals.com">www.punjabchemicals.com</a> under Financials.</p>					
2	The Composition of CSR Committee	<p>The Committee comprises of :</p> <ol style="list-style-type: none"> <li>a) Shri Mukesh Dahyabhai Patel, Chairman</li> <li>b) Shri Shalil Shashikumar Shroff, Managing Director</li> <li>c) Capt. Surjit Singh Chopra (Retd.), Director</li> <li>d) Smt. Sindhu Seth, Director</li> </ol>					
3	Average net profit of the Company for last three financial years for the purpose of computation of CSR amount.	Rs. 590.72 lacs.					
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	Rs. 11.81 lacs.					
5	Details of CSR spent during the financial year:						
	a) Total amount to be spent for the financial year.	Rs. 11.81 lacs.					
	b) Amount unspent, if any.	Rs. 1.52 lacs.					
	c) Manner in which the amount spent during the year is detailed below:						
	CSR Project / Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount actual Spent on Programs / Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
a.	Medical Camp on 05.03.2016 at Village Lalru.	Preventive Health Care	Local areas, Distt. Mohali, Punjab	1.50	0.38	0.38	Direct
b.	Eye Operation Camp on 30.03.2016 at Village Lalru.	Preventive Health Care	Local areas, Distt. Mohali, Punjab	2.50	3.20	3.20	Direct
c.	Drinking Water Facility in Schools	Preventive Health Care	Local areas, Distt. Mohali, Punjab	2.00	1.70	1.70	Direct



d.	Upgrading Medical Facilities in Govt. Hospitals at Derabassi	Preventive Health Care	Local areas, Distt. Mohali, Punjab	2.00	1.99	1.99	Direct
e.	Renovation of Washroom in Govt. High Schools, Derabassi and Bhankharpur.	Health care Sanitation	Local areas, Distt. Mohali, Punjab	4.00	3.02	3.02	Direct
				<b>12.00</b>	<b>10.29</b>	<b>10.29</b>	
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	The amount of Rs. 1.52 lacs remained unspent due to administrative reasons at the end of the financial year 2015-16. The aforesaid amount will be spent on construction / renovation of toilets at School at Lalru, Distt. Mohali, Punjab, where Pharma unit of the Company is situated.					
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policies of the Company.	The CSR Committee of the Company has confirmed that they have implemented and monitored the CSR Policy in compliance with CSR objectives and policies of the Company					

Note: During the year under review, the Company constructed toilet in a school and spent Rs. 0.66 lacs (unspent amount of CSR for the year 2014-15) to comply with the requirement.

**SHALIL SHROFF**  
**MEMBER, CSR COMMITTEE**  
**DIN: 00015621**

**MUKESH D PATEL**  
**CHAIRMAN, CSR COMMITTEE**  
**DIN: 00009605**

**ANNEXURE 3 TO THE DIRECTORS' REPORT****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****Form MGT 9**

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
CIN	L24231CH1975PLC003603
Registration Date	November 19, 1975
Name of the Company	Punjab Chemicals and Crop Protection Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	SCO : 183, First floor, Sector 26, Madhya Marg, Chandigarh- 160019 Tel.: 0172-5008300, 5008301 Fax: 0172-2790160
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited RTA Division 1E/ 13, Alankit Heights, Jhandewalan Extension New Delhi- 110 055 Tel.: 011-42541234, 23541234 Fax: 011-23552001

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>			
All the Business Activities contributing 10% or more of the total turnover of the Company (on standalone basis) are given below:			
Sl No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Chemicals	20119, 20211	84.10
2.	Bulk Drugs and Intermediates	29002	15.90

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:</b>				
Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
SD Agchem (Europe) NV Uitbreidingstraat 84/B3 2600, Berchem(Antwerp)Belgium	Foreign Company	Subsidiary Company	100%	2 (87)
Sintesis Quimica S.A.I.C. Scalabrini Ortiz 3333 2nd floor Buenes Aires, Argentina(C1425DCB)	Foreign Company	Subsidiary Company	100%	2 (87)
STS Chemicals (UK) Ltd. 14, Pollard Way, Gomersal Cleckheaton, west Yorkshire BD19 4PR	Foreign Company	Subsidiary Company	100%	2 (87)





f) Insurance Companies	420796	0	420796	3.43	11832	0	11832	0.10	-3.33
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds/	0	3913	3913	0.03	324676	3913	328589	2.67	2.64
i) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>	<b>544407</b>	<b>9840</b>	<b>554247</b>	<b>4.52</b>	<b>465319</b>	<b>9840</b>	<b>475159</b>	<b>3.87</b>	<b>0.65</b>
<b>(2) Non-Institutions :</b>									
a) Bodies Corporate	3632627	8348	3640975	29.69	3509347	8348	3517695	28.68	-1.01
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1820908	240954	2061862	16.81	2191832	224273	2416105	19.70	2.89
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	291433	0	291433	2.38	283403	0	283403	2.31	-0.07%
c) Others (specify)									
i) Trust	200	0	200	0.00	3792	0	3792	0.03	0.03
ii) Directors & Relatives	56193	125	56318	0.46	52193	125	52318	0.43	-0.03
iii) Non Resident Indian	12848	435	13283	0.11	19411	435	19846	0.16	0.05%
<b>Sub-Total (B)(2)</b>	<b>5814209</b>	<b>249862</b>	<b>6064071</b>	<b>49.45</b>	<b>6059978</b>	<b>233181</b>	<b>6293159</b>	<b>51.32</b>	<b>1.87</b>
<b>Total Public Shareholding (B)= (B) (1)+ (B) (2)</b>	<b>6358616</b>	<b>259702</b>	<b>6618318</b>	<b>53.97</b>	<b>6525297</b>	<b>243021</b>	<b>6768318</b>	<b>55.20</b>	<b>1.23</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>12002483</b>	<b>259702</b>	<b>12262185</b>	<b>100</b>	<b>12019164</b>	<b>243021</b>	<b>12262185</b>	<b>100</b>	<b>0</b>





ii) Shareholding of Promoters:							
Shareholders Name	Shareholding at the beginning of the year (April 1, 2015)			Shareholding at the end of the year (March 31, 2016)			% change in shareholding during the year
	No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	
Excel Industries Ltd.	584977	4.77	0	584977	4.77	0	Nil
Rupam Shalil Shroff	183191	1.49	1.49	183191	1.49	1.49	Nil
Rupam Shalil Shroff	100	0.00	0.00	100	0.00	0.00	Nil
Hemsil Trading & Manufacturing Pvt. Ltd.	4017318	32.76	32.62	4017318	32.76	32.62	Nil
HemalRajuShete	63750	0.52	0	63750	0.52	0	Nil
Ishika S. Shroff	27894	0.23	0	27894	0.23	0	Nil
Malvika S. Shroff	35340	0.29	0	35340	0.29	0	Nil
Salil S. Shroff HUF	77652	0.63	0	77652	0.63	0	Nil
Shalil Shashikumar Shroff	149062	1.22	0	149062	1.22	0	Nil
ShailaShashikumar Shroff	124002	1.01	0	124002	1.01	0	Nil
Shalil Shashikumar Shroff	172125	1.40	1.40	22125	0.18	0.18	-1.22
Shalil Shashikumar Shroff	167956	1.37	0	167956	1.37	0	Nil
Shalil Shashikumar Shroff	40500	0.33	0.33	40500	0.33	0.33	Nil
TOAL	5643867	46.03	35.85	5493867	44.80	34.64	-1.22

iii) Change in Promoters' Shareholding (Please specify, if there is no change)					
Shareholding at the beginning of the year			Cumulative Shareholding during the year		
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
At the beginning of the year	56,43,867	46.03			
Changes during the year					
Date	Reason				
12.06.2015	Pledge Invocation	1,50,000	1.22	54,93,867	44.80
At the end of the year		56,43,867	46.03	54,93,867	44.80

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)							
Name	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
Gowal Consulting Services Pvt. Ltd.*	30,00,000*	24.47	Nil	Nil	Nil	30,00,000	24.47



Arial Holdings 1 #	0	0	15.5.2015	122260	Market Purchase	122260	1.00
			28.08.2015	23476	Market Purchase	145736	1.19
			25.09.2015	178940	Market Purchase	324676	2.65
Veena Kothari #	0	0	16.6.2015	15068	Market Purchase	15068	0.12
			19.6.2015	9000	Market Purchase	24068	0.20
			26.6.2015	20932	Market Purchase	45000	0.37
			30.6.2015	9529	Market Purchase	54529	0.44
			03.07.2015	40799	Market Purchase	95328	0.74
			10.07.2015	27672	Market Purchase	123000	1.00
Punjab State Industrial Development Corporation Limited*	1,22,027	1.00%	Nil	Nil	Nil	1,22,027	1.00
Kishan Gopal Mohta	0	0	19.02.2016	3500	Market Purchase	3500	0.03
			26.02.2016	421	Market Purchase	3921	0.32
			04.03.2016	51079	Market Purchase	55000	0.45
			11.03.2016	1000	Market Purchase	56000	0.46
Shree Gopal Chemicals & Trading pvt. Limited*	44,250*	0.36%	Nil	Nil	Nil	44,250	0.36
Ramila Pradip Trivedi#	33,824*	0.28%	Nil	Nil	Nil	33,824	0.28
Dhwaja Shares and Securities Pvt. Ltd. #	0	0	18.12.2015	61870	Market Purchase	61870	0.50
			15.01.2016	-28870	Market Sale	33000	0.27
Shaktiman Steel Castings Pvt. Ltd. #	0	0	24.07.2015	18185	Market Purchase	18185	0.15
			31.07.2015	1815	Market Purchase	20000	0.16
			14.08.2015	10200	Market Purchase	30200	0.25
Jyotsna Jyotindra Bhatt#	25347#	0.20	Nil	Nil	Nil	25347	0.21

Note:

\* Common top 10 shareholders as on April 1, 2015 and March 31, 2016

# Top 10 shareholders only as on March 31, 2016.



v) Shareholding of Directors and Key Managerial Personnel							
Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
Shalil Shashikumar Shroff*	3,80,581	3.10	13.06.2015	-1,50,000	Invocation of pledged shares	2,30,581	1.88
Mukesh Dahyabhai Patel	400	0.00	Nil	Nil	Nil	400	0.00
Avtar Singh	7,911	0.06	Nil	Nil	Nil	7,911	0.06
Shiv Shankar Shripal Tiwari*	11,714	0.09	Nil	Nil	Nil	11,714	0.09
Vipul Harsukhlal Joshi	1,114	0.009	Nil	Nil	Nil	1,114	0.009
Punit Kumar Abrol	1	0.00	Nil	Nil	Nil	1	0.00

Note:  
\* Shareholding in the first individual name of the Director has been considered here.

<b>V. INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding / accrued but not due for payment</b>				(Rs: in Lacs)
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	27437	-	787	28224
Interest due but not paid	1426	-	-	1426
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	<b>28863</b>		<b>787</b>	<b>29650</b>
<b>Change in Indebtedness during the year</b>				
Addition	-	-	-	-
Reduction	12092	-	443	12535
Net Change	<b>12092</b>	-	<b>443</b>	<b>12535</b>
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	16624	-	344	16968
Interest due but not paid	147	-	-	147
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	<b>16771</b>	-	<b>344</b>	<b>17115</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

<b>A. Remuneration to Managing Director, Whole Time Directors and/ or Manager</b>					<b>(Rs Lakh)</b>
<b>Particulars of Remuneration</b>	<b>Shalil Shroff Managing Director</b>	<b>Avtar Singh Whole-Time Director</b>	<b>Shivshankar Shripal Tiwari Whole Time Director</b>	<b>Total Amount</b>	
1. Gross Salary					
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	56.64*	48.47	0.39	105.90	
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	5.73	5.56	0.02	11.31	
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	
2. Stock Options	Nil	Nil	Nil	Nil	
3. Sweat Equity	Nil	Nil	Nil	Nil	
4. Commission	Nil	Nil	Nil	Nil	
- as % of profit					
- others, specify					
5. Others, please specify					
a) Retiral benefits	-	-	21.41	21.41	
<b>TOTAL (A)</b>	<b>62.37</b>	<b>54.43</b>	<b>21.82</b>	<b>138.62</b>	
Ceiling limit	Within the limit approved by the Central Government.				

\*Includes arrears of Rs. 2.06 lacs.

<b>B. Remuneration to Other Directors</b>					
1. Independent Directors(Rs. In lacs)					
<b>Particulars of Remuneration</b>	<b>Vijay Rai</b>	<b>Mukesh Dahyabhai Patel</b>	<b>S.P. Singh</b>	<b>Total amount (Rs. Lakh)</b>	
Fee for attending Board/ Committee Meetings	2.40	2.70	1.65	6.75	
Commission	Nil	Nil	Nil	Nil	
Others, please specify	Nil	Nil	NIL	Nil	
<b>TOTAL (B)(1)</b>	<b>2.40</b>	<b>2.70</b>	<b>1.65</b>	<b>6.75</b>	
2. Other Non-Executive Directors(Rs. In lacs)					
<b>Particulars of Remuneration</b>	<b>Capt. Surjit Singh Chopra</b>	<b>Ghattu* Ramanna Narayan</b>	<b>Shiv Shankar Tiwari</b>	<b>Sindhu Seth</b>	<b>Total amount (Rs. Lakh)</b>
Fee for attending Board/ Committee Meetings	1.50	0.15	0.75	1.35	3.60
Commission	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil
<b>TOTAL (B)(2)</b>	<b>1.50</b>	<b>0.15</b>	<b>0.75</b>	<b>1.35</b>	<b>3.75</b>
<b>TOTAL (B)= (B)(1)+(B)(2)</b>	<b>10.50</b>				
Overall ceiling as per the Act	No remuneration except sitting fees was paid to Directors who are not Executive Directors. Executive Directors are paid as per the limit approved by the Central Government. *was on the Board upto 28.05.2015.				



<b>C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD</b>			
(Rs. In lacs)			
<b>Particulars of Remuneration</b>	<b>Punit Kumar Abrol Company Secretary</b>	<b>Vipul Joshi Chief Financial Officer</b>	<b>Total amount (Rs. Lakh)</b>
1. Gross Salary			
Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	29.33	41.90	71.23
Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	3.27	4.07	7.34
Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil
2. Stock Options	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission			
as % of profit	Nil	Nil	Nil
others, specify	Nil	Nil	Nil
5. Others, please specify			
Retiral benefits	-	-	-
<b>TOTAL (C)</b>	<b>32.60</b>	<b>45.97</b>	<b>78.57</b>

<b>VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of penalty/ punishment/ compounding fees imposed</b>	<b>Authorities (RD/ NCLT/ Court)</b>	<b>Appeal made, if any (give details)</b>
<b>A. COMPANY</b>					
Penalty			<b>NOT APPLICABLE</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NOT APPLICABLE</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>NOT APPLICABLE</b>		
Punishment					
Compounding					

**ANNEXURE 4 TO THE DIRECTOR'S REPORT****NOMINATION & REMUNERATION POLICY**

This Nomination and Remuneration Policy of Punjab Chemicals and Crop Protection Limited was approved by the Board of Directors (Board) at their Meeting held on 29.05.2014 and amended by the Board on 30.05.2016 by revising composition of the Committee and by inserting point no. (xiv) Of terms of reference.

**Introduction:**

The Philosophy of the Company is that human resources are the greatest asset of the Company.

The endeavor of the management has always been to create world class human resources and inculcate belongingness towards the Company. The employees should work in harmony, understand the importance of every work and create the work culture which is adoptable and acceptable at all levels.

**Responsibility:**

The responsibility to implement this work culture lies with the top level management.

In view of the aforesaid philosophy and in compliance to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors have constituted the "**Nomination and Remuneration Committee**", (hereinafter referred to as the "Committee") to oversee the Company's nomination process for the top level management. The Committee has to specifically identify, screen and review individuals qualified to serve as the Executive Directors, Non-Executive Directors and Independent Directors, consistent with criteria approved by the Board and to recommend for approval to the Board, nominate for election at the Annual General Meeting of shareholders.

To fulfill the objective of creating, preparing policies of the top level management and retaining the good, efficient and professional human resources, the committee shall oversee the appointment of Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel.

The Committee shall ensure that remuneration so paid to them is reasonable and sufficient to attract, retain and motivate the employees.

The committee shall also co-ordinate and overview the annual self evaluation of the performance of the Board and of individual Directors in the governance of the Company.

Another important responsibility of the committee is to create a sound succession planning of the senior leadership, vital for the robust future of the Company. Therefore, the committee has to adopt a rigorous process to ensure that the Board selects the right candidates for the senior leadership positions.

**Review of Policy:**

The policy is to be reviewed by the Board to ensure it remains consistent with Board's objectives and responsibilities.

**Publication of Policy:**

A copy of this policy is available at the website of the Company ([www.punjabchemicals.com](http://www.punjabchemicals.com)). This policy is to be made available to the shareholders of the Company upon request.

The present composition of the Committee and terms of reference are appended herewith.

**Composition of Nomination and Remuneration Committee :**

In Compliance to the Companies Act, 2013 (hereinafter referred to as "Act") and the Listing Agreement, the Board of Directors in its meeting held on 29<sup>th</sup> May, 2014 changed the name of the Remuneration Committee by renaming it as "Nomination and Remuneration Committee" (hereinafter referred to as the "Committee"). This Committee comprises of the following Directors:

- |                                            |   |          |
|--------------------------------------------|---|----------|
| 1. Shri Vijay Rai<br>Independent Director  | : | Chairman |
| 2. Shri M.D. Patel<br>Independent Director | : | Member   |
| 3. Shri S.P. Singh<br>Independent Director | : | Member   |
| 4. Smt. Sindhu Seth<br>Director            | : | Member   |

As per the Act, the members of the Committee shall be Non-Executive Directors and at least half of them shall be independent.

**Terms of Reference:**

The Terms of Reference of the Committee shall, inter alia, include the following:

- To finalise the criteria for determining qualification, experience, positive attributes and independence of persons who are qualified to become Directors (Executive and Non-Executive), Key Managerial Personnel and at Senior Management level and to recommend to the Board their appointment and / or removal.
- To carry out evaluation of performance of Directors, as well as Key Managerial and Sr. Management Personnel.
- To establish the criteria and process to assist the Board and each of its Committees in their performance evaluations.
- To determine Remuneration for the Directors, Key Managerial Personnel and other senior officers based on the Company's



- size, financial position and trends and practices on remuneration prevailing in peer companies especially in the manufacturing industry.
- v) To recommend for the rewards linked directly to their efforts, performance, dedication and achievements relating to the Company's operations.
  - vi) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
  - vii) To recommend/review remuneration of the Managing Director and Executive Directors based on their performance and defined assessment criteria.
  - viii) To make recommendations to the Board, as appropriate, for the service conditions of the Key Managerial Personnel and other senior officers.
  - ix)
    - a) To develop the process and recommend to the Board for approval of CEO (Managing Director) and Succession Plan ("the succession plan").
    - b) To review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for executive positions and recommend to the Board any change, if required under the Succession Plan.
  - x) To meet atleast once in a year, in conjunction with other Committee meetings and Board Meetings. Additional meetings of the Committee can be held from time to time as determined by the Board or the Chairman of the Committee, if so requested by any member of the Committee.
  - xi) To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme as and when the Company comes with the scheme and to recommend:
    - a) The quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
    - b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
    - c) The exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
    - d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
    - e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
    - f) The procedure for making a fair and reasonable adjustment to the number of options.
    - g) The granting, vesting and exercising of options in case of employees who are on long leave, and the procedure for cashless exercise of options.
  - xii) A member of the Committee is not entitled to be present when his or her own salary or fee is discussed at a meeting or when his or her performance is being evaluated.
  - xiii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
  - xiv) To change the composition of the Committee from time to time and place the new composition or any new term of reference on the website of the Company after approval of the Board.

**Vijay Rai**  
Chairman

Nomination and Remuneration Committee

**ANNEXURE 5 TO THE DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members**

**Punjab Chemicals and Crop Protection Limited**  
**SCO No- 183, 1st Floor**  
**Sector-26, Chandigarh-160019**  
**(CIN: L24231CH1975PLC003603)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Punjab Chemicals and Crop Protection Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder were not attracted during the audit period as there was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as informed to us.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company has not issued any securities during the audit period.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company has not granted any options to its employees during the audit period.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued any debt securities during the audit period.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its equity shares during the audit period and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable as the Company has not bought back any of its securities during the audit period.

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July, 2015).
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd. and BSE Limited, SEBI (LODR) Regulations, 2015 (effective from 1st December, 2015).





During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** we have relied on the representation made and other documents provided by the Company, its officers and certify on the examination of the same on test check basis that the Company has complied with the following laws applicable specifically to the Company:

- a) The Boilers Act, 1923 and The Indian Boilers (Amendment) Act, 2007;
- b) The Poisons Act, 1919;
- c) Insecticides Act, 1968;
- d) Drugs and Cosmetics Act, 1940;
- e) The Environment (Protection) Act, 1986;
- f) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- g) The Water (Prevention & Control of Pollution) Act, 1974;
- h) The Air (Prevention & Control of Pollution) Act, 1981;

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views, if any, were captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:

1. The Company has obtained approval of Central Government in regard to Re-appointment and payment of managerial remuneration to Mr. Shalil Shashikumar Shroff (DIN:- 00015621), Managing Director of the Company vide letter no. SRN No. C39378963/2014-CL-VII dated 14.05.2015.
2. The Company has obtained approval of Central Government in regard to payment of remuneration of Mr. Avtar Singh, (DIN:- 00063569), Whole Time Director of the Company vide letter no. SRN No. C57796252/3/2015-CL.VII dated 06.01.2016.
3. The Company has obtained approval of shareholders by way of postal ballot for the following:
  - a) Deletion of clause from object clause of Memorandum of Association of the Company;
  - b) Alteration of liability clause of Memorandum of Association of the Company;

- c) Adoption of new set of Articles of Association;
- d) Commission to Non-Executive Directors of the Company.

For **P.S. Dua & Associates**  
Company Secretary

Place:- Ludhiana  
Date:-30.05.2016

**P.S. Dua**  
FCS No.4552, CP No. 3934

**This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.**

To

**Annexure A to Secretarial Audit Report**

The Members  
Punjab Chemicals and Crop Protection Limited  
SCO No- 183 1st Floor  
Sector-26, Chandigarh-160019  
(CIN:L24231CH1975PLC003603)

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained and relied on the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P.S. Dua & Associates**  
Company Secretary

Place:- Ludhiana  
Date:-30.05.2016

**P.S. Dua**  
FCS No.4552, CP No. 3934



## ANNEXURE 6 TO THE DIRECTORS' REPORT

## PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES

### FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and  
Rule 8 (2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1.	<b>Details of contracts or arrangements or transactions not at arm's length basis:</b>	
a)	Name(s) of the related party and nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	<b>Details of material contracts or arrangement or transactions at arm's length basis :</b>	
a)	Name(s) of the related party and nature of relationship	There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2016.
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Date(s) of approval by the Board	
e)	Amount paid as advances, if any	
f)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 30, 2016

**MUKESH D PATEL**  
**CHAIRMAN**  
DIN:00009605



## ANNEXURE 7 TO THE DIRECTORS' REPORT

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### A. CONSERVATION OF ENERGY

a) *Steps taken for Conservation of Energy and Impact:*

- Process modification and re-engineering to increase production capacity resulting in less energy consumption per unit of production.
- The connected load of power has been reduced by replacing high horsepower motors with the actual required motors.
- Replaced 360 CFL lamps of 20 watt with 12 watt of LED lamps.
- Replacement of low efficiency pumps & motors with high efficient pumps & motors.
- Installation of VFD at various locations in plant with a view to reduce power consumption.
- Replacement of Reciprocating compressor by screw compressor for air supply to Nitrogen plant to save power.

b) *Steps taken by the Company for utilizing alternate sources of energy:*

Detail study & working has been done on a proposal to use pet coke in existing husk/coal fired boilers to reduce cost of generation of steam

c) *Capital investment on energy conservation equipments:*

The Company makes the required investments to reduce consumption of energy, whenever any efficient proposal is received.

### B. TECHNOLOGY ABSORPTION:

(i) *The efforts made towards technology absorption;*

New developments carried out through inhouse and indigenous technologies for better efficiency of products and simplification.

(ii) *Benefits derived as a result of the above efforts, e.g. Product improvement and cost reduction, product development, import substitution etc.*

The simplified processes reduce the cost of production with better quality and additional safety.

The reduction in the cost of production and development of environment friendly process.

(iii) *Technology imported during the last 3 years:*

The Company has not imported any technology.

(iv) *The expenditure incurred on Research and Development:*

(Rs. in lacs )

		2015-16	2014-15
a)	Capital	53.27	-
b)	Recurring	61.00	32.75
c)	Total	114.27	32.75
d)	Total R&D expenditure as %age of total turnover	0.32%	0.06%

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(Rs. in lacs )

		2015-16	2014-15
i)	Earned	22,910	28,894
ii)	Used	6,997	6,717



**ANNEXURE 8 TO THE DIRECTORS' REPORT**

**PART A : STATEMENT OF DISCLOSURE OF REMUENRATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013:**

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

Sl. No.	Requirements	Disclosure			
		Director's Name	Designation	Ratio of Remuneration of the Directors to *MR	%age increase in Remuneration (FY 2015-16)
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and percentage increase in the remuneration of each Director.	Shalil Shroff	Managing Director	14.49	43.45
		Avtar Singh	Whole Time Director	12.66	58.18
		Mukesh Dahyabhai Patel	Chairman	0.63	35
		Vijay Dilbagh Rai	Director	0.56	100
		Capt. Surjit Singh Chopra (Retd.)	Director	0.34	36
		Sindhu Seth	Woman Director	0.31	59
		Sheo Prasad Singh	Director	0.38	120
		Shiv Shankar Tiwari	Director	0.17	-

\*MR: Median Remuneration

**Notes:**

1. Remuneration to other Directors (Non-Executive) is sitting fees paid during the year.
2. Shri G Narayana resigned during the year, therefore, percentage increase in his remuneration is not comparable.
3. Shri Shiv Shankar Tiwari was Whole Time Director during the year 2014-15 and for part of 2015-16. He was further appointed as a Director during the year 2015-16 and received sitting fees for the meetings attended. Therefore, percentage increase in his remuneration is also not comparable.

2.	The percentage increase in remuneration of Chief Financial Officer, Company Secretary in the financial year 2015-16.	Name	Designation	%age increase in Remuneration (FY 2015-16)
		Vipul Joshi	Chief Financial Officer	2.98
Punit K Abrol	Company Secretary	10.50		

3.	The percentage increase in the median remuneration of employees in the financial year.	Median FY 2016		Median FY 2015		% increase/ decrease	
		Including WD	Excluding WD	Including WD	Excluding WD	Including WD	Excluding WD
		430371	429845	4,15,145	4,14,329	3.67	3.74

4.	The number of permanent employees on the roll of the Company.	As on 31.03.2016	As on 31.03.2015
		835	818



5.	The explanation on the relationship between average increase in remuneration and Company performance.	The increase in average remuneration of all employees in the financial year 2015-16 compared to financial year 2014-15 was 3.67%.		
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the Financial year 2015-16, KMPs were paid about 3.96% of the net profit and 0.38% of total revenue of the Company on Standalone basis. The remuneration of KMPs have increased about 19.83% in the year compared to the previous year.		
7.	Variations in the market capitalization of the Company, price earning, ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	The market capitalization of the Company has decreased from Rs. 225.25 crores as of March 31, 2015 to Rs. 170.44 crores as of March 31, 2016. Over the same period, the price earning ratio moved from 63.13 to 4.78. The Stock price as at March 31, 2016 has increased by 347.50% to Rs. 139 over the last right issue in 1989 at the price of Rs. 40/- per share (including premium).		
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	<b>Aggregate of remuneration paid to Employees in FY 2016 (Rs. in lacs)</b>	<b>Aggregate of remuneration paid to Employees in FY 2015 (Rs. in lacs)</b>	<b>% increase / decrease</b>
		3782	3698	2.27
		The average increase in salary of employees other than the managerial personnel is 2.31% and increase in salary of managerial personnel is 49.9% from the previous year. Sh. Shiv Shanker Tiwari, who worked for part of the year has not been considered for computation. The increment given to each individual employee is based on his experience, performance, market trend and contribution to the Company's progress. The increase in the managerial remuneration is as per the remuneration approved by the members and the Central Government, based on various parameters like market trend; financial position of the Company and the responsibilities.		
9.	Comparison of the each remuneration of the Key Managerial Personnel (KMP) against the performance of the Company.	The comparison of each of the KMP against the performance of the Company is as under:		
		<b>Name/Designation of KMP</b>	<b>% of Total revenue for FY 2015-16</b>	<b>% of Net Profit for FY 2015-16</b>
		Shalil Shroff, Managing Director	0.16	1.74
		Punit K. Abrol, Company Secretary	0.09	0.93
	Vipul Joshi, Chief Financial Officer	0.12	1.29	
10.	The key parameters for any variable component of remuneration availed by the Directors.	There are no variable components of remuneration as such. The Directors are paid remuneration within the limits approved by the Central Government.		



11.	The ratio of the remuneration of the highest paid Director to that of the employees who are not director but receive remuneration in excess of the highest paid director during the year.	None of the employees has received remuneration in excess of the highest paid Director during the year 2015-16.
12.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.

# MRE : Median Remuneration of Employee;

WD : Working Directors

**Note:**

- The Median salary of the employees is arrived at by taking into account the gross salary of the employees who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.
- No Stock option was granted to any employee and Directors.
- The Median Remuneration of Employees (MRE) excluding Working Directors was Rs. 429845 and Rs. 4,14,329 in fiscal year 2016 and fiscal 2015 respectively.
- The Median Remuneration of Employees (MRE) including Working Directors was Rs. 430371 and Rs. 4,15,145 in fiscal year 2016 and fiscal 2015 respectively.
- Net Profits have been taken as per the Standalone Statement of Profit and Loss.
- Shri SS Tiwari was Whole Time Director for part of the year. So, he has not been considered for preparing the above information.
- The arrear of remuneration (Rs. 2,06,419) of the Financial Year 2014-15 paid to Shri Shalil Shroff, Managing Director in the year 2015-16.

**PART B: INFORMATION AS PER RULE 5 (2) OF CHAPTER XIII, THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

S.No.	Name of Employee	Designation	Educational Qualification	Age (Years)	Experience (Years)	Date of Joining	Gross Remuneration (Rs.)	Previous Employment
1.	Shalil Shroff	Managing Director	Management Diploma from U.S.A. & B.Com.	51	27	15.01.1992	62,36,984	STS Chemicals Ltd.

**Notes:**

- Remuneration mentioned above includes salary, allowances, taxable value of perquisites, Company's contribution to provident fund and Superannuation Fund but does not include contribution / provision towards Gratuity Fund and leave encashment and gratuity paid, if any.
- The employment of the Managing Director is contractual for a period of three years.
- The Managing Directors has the adequate experience to discharge the responsibilities assigned.
- Shri Shalil Shroff, Managing Director and Capt. Surjit Singh Chopra (Retd.), Director of the Company are related to each other.
- The aforesaid disclosure has been made because during the year, remuneration paid to Shri Shalil Shroff, Managing Director includes the arrears of Rs. 2,06,419 of previous year 2014-15. Therefore, the total disbursement of remuneration was Rs. 61,79,384/-. As an abundant precaution, disclosure has been made.

For and on behalf of the  
Board of Directors

**MUKESH D PATEL**  
**CHAIRMAN**  
**DIN:00009605**

Place: Mumbai

Date: May 30, 2016



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. BUSINESS REVIEW:

#### 1.1 Business segment- Agro Chemicals and other Chemicals

##### a) Industry Structure and Development:

Despite global slowdown and the second failure of the monsoon, India registered a growth of 7.6 percent in the year 2015-16. This growth rate has kept Indian growth story intact, resilience and full of optimism. World Bank has projected that Indian GDP will grow by 7.8 percent in the year 2016-17 and 7.9 percent in the subsequent two years, making it the fastest growing economy. These projected growth rates bring optimism in the Industry for overall development of economy of the country.

However, India's concern is weakness in the agriculture environment. The agriculture production has been affected due to less than normal monsoon rains in two successive years and lower consumption of agri inputs in Europe.

However as per one of the report of TATA Strategic Management Group, the agro-chemicals sector in the country still has tremendous potential and is estimated to touch \$7.5 billion by 2018-19 with 60 percent of this business coming from exports. This augurs well for the Agro Chemical Companies.

##### a) Opportunities and threats:

###### Agro Chemicals:

Your Company is in the manufacturing of many agro chemicals mainly, (herbicides and fungicides) beside other chemicals. Global consumption of herbicides contributes 44% and fungicides at 27% of the agrochemicals markets. The future trend is positive and has offered new opportunities to the Company. As you know your Company has a manufacturing cost advantage and many of our existing and new customers both MNCs and smaller marketing companies are keen to exploit this position. Most important new companies are looking at strategic alliances with us for contract manufacturing. We are working on these opportunities and will be entering into additional manufacturing tie-ups to better utilize our plants on regular basis.

However, growth of spurious products, rigid norms for registration process for development of new molecules, inadequate infrastructure for Research and Development are few threats which may somewhat restrict the Industry and us to grow at a higher speed.

###### Other Chemicals:

The Company continues to strengthen its manufacturing base for other performance chemicals. However, the main focus remains on intermediate chemicals required for backward and forward integration of our existing range.

##### b) Future prospects:

Your Company has a specialized and versatile product. In view of the anticipated growth in this Sector, we continue to be positive about this business in long term.

##### c) Risks and concern:

Despite the strong growth drivers, Indian agrochemicals industry faces challenges. Generally, the industry is very risk prone to seasonal nature of demand, unpredictability of pest attacks and high dependence on monsoons. In addition, the sale of spurious pesticides and spiked bio-pesticides pose a major threat to industry growth.

The Management is fully aware of these risks and concerns and has taken required possible actions to mitigate the same.

#### 1.2 Business Segment- Pharma

##### a) Industry Structure and Development:

Indian pharmaceutical sector accounts for about 2.4 percent of the global pharmaceutical industry in value terms and 10 percent in volume terms and is expected to expand at a Compound Annual Growth Rate (CAGR) of 16 percent to Rs 3.5 lakh Crores by 2020 from Rs 1.3 lakh crores in 2015. 2015 was a year of growth in the domestic market. The year 2016 is seen as a year of hope as further growth is expected due to better export and domestic markets.

##### b) Opportunities and threats:

Your Company entered into the Pharma business in 2003 after acquisition of erstwhile Alpha Drug India Limited (ADIL), now merged with the Company. However, our product line is restricted only to few bulk drugs, intermediates and speciality chemicals are in the



portfolio. To achieve next level of growth, huge investment in R&D is required. This business segment of the Company is still facing some of these constraints due to limited capital availability at present.

In the circumstances, this division is running below its potential and virtually depends upon toll manufacturing for other Companies.

c) **Performance and Outlook:**

The Company still prefers the toll manufacturing and job work for other companies for committed business and less requirement of working capital. The Management is stringently working for better utilization of this plant.

d) **Risks and concern:**

Generic competition, less margins is a concern. Regulatory constraints pose a threat. The Management is fully acquainted with these risks and concerns associated with this segment and continue to address them from time to time as required.

## 2. **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate internal control system commensurate with its size and complexity. The Internal Financial Control System of the Company is being regularly monitored by the Internal as well as external expert teams, including the Internal Auditor. Any deficiency in the controls is viewed seriously and corrective actions are taken to avoid repetition.

The Company has well-documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed. The Internal Auditor monitors the efficiency of the internal controls/compliance with SOPs and provides required information to the Audit Committee.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The risks in various departments have been identified. The controls have been established to mitigate those risks and have been divided as key and non-key controls. These controls are regularly monitored by the Internal Auditor to check effectiveness of the controls. The Audit Committee Members/ Board of Directors are regularly updated on the same.

The Company has the Risk Assessment Policy of each segment of business and the concerned Heads of Department are responsible to monitor the risks and take effective measures to mitigate them.

The financial statements are prepared in conformity with the established Accounting Standards and Principles.

## 3. **FINANCIAL PERFORMANCE AND ANALYSIS:**

During the year 2015-16, the total revenue on standalone basis were less by 12% at Rs. 370 crores against Rs. 420 crores in the previous year. The net profit was Rs. 35.62 crores (with exceptional income of Rs. 34.46 crores) against profit of Rs. 3.56 crores of last year .

The One Time Settlement (OTS) of Indian debts with State Bank of India (SBI) has been concluded by fulfilling the requisite conditions, payments of Rs. 45.50 crores and Rs. 3.58 crores (received from the sale of 1,50,000 shares of the Company, pledged exclusively with SBI by the promoters). As a result, Rs. 45.77 crores were written back against total outstanding of Rs. 94.85 crores during the year. However, after adjusting cost of some of the impaired assets (writing off of discarded/scrapped assets), the net exceptional income was Rs. 34.46 crores.

The Company has three overseas subsidiaries namely- SD AgChem (Europe) NV, Sintesis Quimica, S.A.I.C, Argentina, and STS Chemicals (UK) Ltd.

The consolidated accounts of Standalone and Subsidiary Companies during the period under review, show total operating income of Rs. 538 crores with a net profit of Rs. 13.28 crores after net exceptional income of Rs. 23.52 crores against the total income of Rs. 565 crores and net profit of Rs. 14.20 crores in the previous period.

The summary of operating results of the subsidiary companies have been given in the Directors' Report.

Some of the other details of Financial Statements are as follows:

i) **Shareholders' Funds:**

On Standalone basis, as on 31.03.2016, the shareholders' fund has increased to Rs. 54.74 crores from Rs. 19.17 crores as on 31.03.2015. Fund has increased due to increase in profit of Rs. 35.62 crores of the year under review. However, still there is net deficit of Rs. 19.06 crores in the Profit and Loss Account.

On Consolidated basis, as on 31.03.2016, the shareholders' fund has increased to Rs. 61.24 crores against (Rs. 34.64) crores of 31.03.2015. The Reserves & Surplus increased to Rs. 48.98 crores from (Rs. 46.90) crores of last year due to profit of Rs. 13.28 crores for the year, revaluation of assets of Sintesis Quimica for an amount of Rs. 53.58 crores and foreign currency translation reserves.





ii) **Borrowings:**

In view of One Time Settlement (OTS) and repayment of debts, the long term borrowings have reduced to Rs. 98.45 crores in the year under review against Rs. 114.90 crores as on 31st March, 2015. Whereas, the short term borrowings have reduced to Rs. 49.62 crores against Rs. 94.72 crores of 31st March, 2015.

iii) **Earning Per Equity Share:**

The earning per equity share has increased to Rs. 29.05 as on 31st March, 2016 against Rs. 2.91 of previous year, on standalone basis.

iv) **Deduction of Gross Block:**

During the year, the Company deducted Rs. 56.71 crores from the fixed assets due to disposal of office floors, surplus land, and adjusting the cost of some of the discarded/impaired assets.

v) **Revenue from Operations:**

During the year as per standalone accounts, the turnover of Agro Chemicals and intermediates was Rs. 209 crores against Rs. 264 crores of last year. Whereas, Bulk Drugs revenue increased to Rs. 54 crores from Rs. 44 crores. The turnover of other chemicals including phosphorous and its compounds remained same at Rs. 81 crores. The Company's domestic sale was 35% and 65% from outside India. Out of total revenue, 60% is from Agrochemicals, around 16% is from Bulk Drugs and balance 24% is from other chemicals including phosphorous, etc.

In consolidated accounts for the year under review, 66% of the revenue was from Indian operations and 34% from overseas subsidiaries.

4. **HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:**

The Industrial relations in all divisions of the Company are cordial and harmonious. The employee strength of the Company as on 31st March, 2016 was 835.

The Company encourages the employees to upgrade their knowledge and skills. The training sessions on various working parameters are conducted in routine apart from allowing employees for outside specialized training, wherever required.

5. **ACCOUNTING TREATMENT:**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and as referred to in Section 133 of the Companies Act, 2013. The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1st April 2015. Due to application of Companies Act, 2013 and Accounting Standard 10 (R), the Company has changed the manner of depreciation for its plant, property and equipment. Now, the Company identifies and determines cost of each component/ part of the asset separately. Other details with regard to this policy have been given in note 2.1 of the financial statements.

6. **CAUTIONARY STATEMENT:**

Statements in "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions are forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. The actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Governmental regulations and tax structure, economic and political developments within India and the countries with which the Company has business.

Therefore, the Company assumes no responsibility in respect of forward looking statements herein which may undergo change in future on the basis of subsequent developments, information or events.



## REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors are pleased to present the Company's Annual Report on Corporate Governance with required disclosures for the financial year 2015-16 as under:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's endeavour is to improve upon the prevalent systems and practices to ensure good Corporate Governance. Company encourages the transparency, professionalism and accountability in all its operations. The procedures adopted to ensure Corporate Governance has been kept in view of the size, complexity, global operations and traditional ethical values in the Company.

The Company's approach is to promote friendly and clean environment in and around its manufacturing sites and work for the betterment of employees, customers and other stakeholders. The Company's Code of conduct and Ethics for its Board Members and Employees are well structured.

The Company's internal control systems are robust and periodically reviewed to assess effectiveness. The employees are encouraged to grow with the Company. They are well cultured, transparent and participative. Their sense of belongingness towards the Company itself speaks about the Company's philosophy.

### 2. CODE OF BUSINESS CONDUCT & ETHICS:

The Company has adopted Code of Conduct and Ethics, which is applicable to the Board of Directors and the Senior Management team of the Company. The Directors and senior employees are required to affirm compliance of this Code. The Code is displayed on the website of the Company under the head "Financials – Company Policies" ([www.punjabchemicals.com](http://www.punjabchemicals.com)).

### 3. FAMILIARIZATION PROGRAMME FOR DIRECTORS:

The Company has a familiarization programme for the Independent Directors with regard to their roles, rights and responsibilities in the Company. They are also familiarized with nature of the industry in which the Company operates the business models of the Company, various policies adopted in the Company and with other legal / professional information required to play their role as an Independent Director of the Company. The details of familiarization programmes imparted to Independent Directors is available on the website of the Company under the head "Financials – Company Policies" ([www.punjabchemicals.com](http://www.punjabchemicals.com)).

### 4. INSIDER CODE OF CONDUCT:

The Company has adopted an 'Insider Code of Conduct' for Regulatory, Monitoring and Reporting of Trades by 'Insiders' in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT) and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). The Codes are displayed on the website of the Company under the head "Financials – Company Policies" ([www.punjabchemicals.com](http://www.punjabchemicals.com)). The Directors are covered under these Codes and have given affirmation for the compliance.

### 5. BOARD OF DIRECTORS

The Board is constituted by the shareholders for overseeing the Company's overall functioning. The Board evaluates the Company's strategy and management policies. The implementation and effectiveness of the policies are monitored to safeguard the long term interest of the stakeholders.

The Board of Directors along-with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Company's Board plays a pivotal role in ensuring sound and ethical business practices. The Board of the Company is constituted with 8 Directors, comprising of the Chairman, Managing Director (Promoter), one Whole-time Director and 5 other Non-Executive Directors including a Woman Director as required under the provisions of Section 149 (3) of the Companies Act, 2013. There are three Independent Directors on the Board including the Chairman. All the Independent Directors have certified and confirmed that they meet the 'independence' criteria as required pursuant to section 149 (6) of the Companies Act, 2013. The shareholders at the 38th Annual General Meeting held on September 23, 2014 approved appointment of three Independent Directors viz. Shri Ghattu Ramanna Narayan, Shri Mukesh Patel and Shri Vijay Rai for a period of five years i.e. upto 43rd Annual General Meeting to be held in the calendar year 2019. Consequent upon the resignation of Shri Ghattu Ramanna Narayan on 28th May, 2015, Shri Sheo Prasad Singh, who fulfilled the criteria of Independence was appointed as Independent Director in the Annual General Meeting held on 11th September, 2015 for a period of five years i.e. upto 44th Annual General Meeting to be held in the calendar year 2020. The Company has issued letter of appointment to all Independent Directors as per Schedule IV to the Companies Act, 2013. The terms and



conditions of their appointment have been disclosed on the website of the Company under the head “Financials - Investor Relations” ([www.punjabchemicals.com](http://www.punjabchemicals.com)).

The Board has also constituted various Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Assessment Committee, etc. to properly monitor various activities of the Company.

The Board can constitute additional functional committees as per the requirement.

## 6. BOARD MEETINGS

During the year, the Board met five (5) times on May 28, 2015; August 11, 2015; September 10, 2015; November 4, 2015 and February 10, 2016. The maximum gap between any two (2) Board Meetings was less than one hundred twenty (120) days. All material information was circulated to the Directors before the Meeting or placed at the meeting, including minimum information required to be made available to the Board under Regulation 17 of SEBI (LODR) Regulations, 2015. No Board Meeting was held through video conferencing or through any audio-visual mode.

The Composition of the Board of Directors as on date, Category of Directors, their attendance at the Board Meetings held during the year, attendance at the last Annual General Meeting (AGM), the number of other Board of Directors or Committees in which a Director is a Chairman or Member, and number of shares held by them as on March 31, 2016 are as under:

Name of the Director	Category	Attendance Particulars		No. of other Directorship*** (excluding PCCPL)		Committee Membership**** (excluding PCCPL)		No. of shares held as on March 31, 2016
		Board Meetings	Last AGM	Director	Chairman	Member	Chairman	
Shri Ghattu Ramanna Narayan Chairman (DIN:00020575)*	Independent Non-Executive	2	Yes	-	-	-	-	Nil
Shri Mukesh Dahyabhai Patel (DIN:00009605)	Independent Non-Executive	5	Yes	3	0	1	3	400
Shri Shalil Shashikumar Shroff Managing Director (DIN:00015621)	Promoter Executive	5	Yes	0	1	-	-	230581
Capt. Surjit Singh Chopra (Retd.) (DIN:00146490)	Non-Independent Non-Executive	5	Yes	-	-	-	-	Nil
Shri Vijay Dilbagh Rai (DIN:00075837)	Independent Non-Executive	5	Yes	3	1	2	1	Nil
Smt. Sindhu Seth (DIN:00109298)	Woman Director Non-Independent Non-Executive	3	No	-	-	-	-	Nil
Shri Sheo Prasad Singh (DIN:06493455)**	Independent Non-Executive	5	Yes	-	-	-	-	Nil
Shri Avtar Singh Whole Time Director (DIN:00063569)	Non-Independent, Executive	4	Yes	1	-	1	-	7911
Shri Shivshankar Shripal Tiwari (DIN:00019058)#	Non-Independent, Non-Executive	5	Yes	-	-	-	-	11714



- \* Resigned as Chairman and Director w.e.f. 28th May, 2015. Thereafter, he was appointed as the Chairman, Emeritus. He attended one meeting as Chairman, Emeritus.
- \*\* Appointed as Independent Director w.e.f. 11th September, 2015.
- \*\*\* Directorships in Companies registered under Companies Act, 2013 (earlier Companies Act, 1956), excluding Directorship in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorship.
- \*\*\*\* Includes membership of Audit and Stakeholders Relationship Committees only.
- # Shri S.S.Tiwari resigned as Whole Time Director w.e.f. 5th April, 2015 and was appointed as Director, who is liable to retire by rotation.

**Notes:**

- (a) Shri Shalil Shashikumar Shroff and Capt. Surjit Singh Chopra (Retd.) are related to each other. None of the other Director is related to any other Director.
- (b) None of the Director has any business relationship with the Company.
- (c) None of the Directors received any loans and advances from the Company during the year.
- (d) The Managing Director and Whole Time Directors are paid remuneration as approved by the members and the Central Government. Other Non-Executive Directors are paid sitting fees for attending the Board and Committee Meetings in addition to the Commission, in case of availability of net profit as per the provisions of the Companies Act, 2013. Apart from above, the Company did not have any pecuniary relationship or transactions with the Directors during 2015-16.
- (e) The details of the Directors proposed to be appointed/ re-appointed at the 40th Annual General Meeting are published elsewhere in the Annual Report.
- (f) None of the Directors held Directorship in more than 10 Public Limited Companies.
- (g) The details of Familiarization Programmes conducted for Directors can be viewed at Company's Website <http://punjabchemicals.com/companypolicy.html>
- (h) The decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions.
- (i) The information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations is provided to the Board / Board Committee either as part of agenda papers or by way of presentations and discussions during the meeting.

**7. PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING.**

Name of the Director	<b>Capt. S.S. Chopra (Retd.)</b>
Date of Birth	8th April, 1940
Date of Appointment	18th August, 2004
Expertise in specific functional area	He has rich experience of organization capabilities and inspires the management and other executives working in the Company. He has served in Indian Air Force for 15 years and Air India for 26 years. He served as a Commissioned Officer in the I.A.F. from 1961 to 1976 as a pilot and took part in three wars i.e. 1962, 1965 & 1971. He served as an Examiner and instructor and was also a member of the Air Crew Examining Board. He served in Air India as a pilot from 1976 to 2002.
Qualification	National Defence Academy (NDA), Khadakvasla
Other Public Companies in which Directorship held	Nil
Other Public Companies in which membership of Committees of Directors held.	Nil

**8. AUDIT COMMITTEE****Terms of Reference:**

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls, monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with transparency, integrity and quality.



The terms of reference of the Audit Committee are broadly as under:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to Board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors, including Cost Auditors, and fixation of audit fees and other terms of appointment.
3. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of Section 134 (3) (C) of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report
4. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
7. Approval or any subsequent modification of transactions of the company with related parties.
8. Scrutiny of Inter-Corporate loans and investments.
9. Valuation of undertakings or assets of the company, wherever it is necessary.
10. Evaluation of Internal Financial Controls and Risk Management Systems.
11. Reviewing, with the management, External and Internal Auditors, the adequacy of the Internal Control Systems.
12. Reviewing the adequacy of internal audit function.
13. Discussion with Internal Auditors of any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
15. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To review the functioning of the Whistle Blower Mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.
17. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
18. To grant Omnibus approval for Related Party Transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.
19. Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
20. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors.

**Composition:**

The Audit Committee is constituted with five Directors, which includes three Independent Directors including the Chairman.

During the financial year under review, the Audit Committee met five (5) times on May 28, 2015; August 11, 2015; November 04, 2015, February 10, 2016 and March, 22, 2016. The maximum gap between any two (2) Audit Committee Meetings was less than 120 days.

The necessary quorum was present in all the meetings.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings during 2015-16	
				Held during tenure	Attended
1	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	5	5
2	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	5	5
3	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non-Independent	Member	5	4
4.	Shri. Ghattu Ramanna Narayan (upto 28.05.2015)	Non-Executive / Independent	Member	1	1
5.	Smt. Sindhu Seth	Non-Executive / Non-Independent	Member	5	4
6	Shri S. P. Singh (w.e.f. 28.05.2015)	Non-Executive / Independent	Member	4	4

During the year, the Committee was reconstituted on May 28, 2015 by the Board of Directors by inducting Shri Sheo Prasad Singh as Member of the Committee in place of Shri Ghattu Ramanna Narayan, who resigned from the Board.

The Company has complied with the requirements of explanation (2) of Regulation 18 (1) (C) of SEBI (LODR), 2015 with respect to the composition of the Audit Committee.

At the Annual General Meeting held on September 11, 2015, Shri Vijay Rai, Chairman of the Audit Committee was present.

The Committee meetings are usually attended by the Managing Director, Chief Financial Officer and Statutory Auditors of the Company. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. Shri Punit K Abrol, Sr.V.P. (Finance) & Company Secretary of the Company acts as the Secretary of the Committee.

**9. NOMINATION AND REMUNERATION COMMITTEE**

This committee is constituted with four Directors and three of them are Independent Directors. The Chairman of the Committee is an Independent Director.

The Committee met on May 28, 2015 during the financial year 2015-16.

**Terms of reference:**

The terms of reference of the Committee has been expanded in terms of the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, which includes:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
2. Evaluation of performance of all Directors on the Board.
3. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
4. Formulation of criteria for evaluation of Independent Directors and the Board.
5. Devising a policy on Board diversity.

**Compositions:**

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company, details of the meetings held and presence of the Directors in the meetings were as follows:



Sr. No.	Name of Director	Category	Position	No. of Committee Meetings during 2015-16	
				Held during tenure	Attended
1	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	1	1
2	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	1	1
3	Shri Sheo Prasad Singh	Non-Executive / Independent	Member	1	1
4	Smt. Sindhu Seth	Non-Executive / Non-Independent	Member	1	1

#### Remuneration Policy:

The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to the approval of shareholders, where necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and other employees of the quality required to run the Company successfully. The remuneration of the Managing Director and other Whole Time Directors is based on the Company's size & global presence, its economic & financial position, industrial trends; compensation paid by the peer Companies, etc.

- The Company pays remuneration to its Managing Director and Whole-time Director by way of salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and the Central Government. The Board, on the recommendations of the Nomination and Remuneration Committee, approves annual increments to the Managing Director and the Whole-Time Director. The commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in Section 197 of the Companies Act, 2013.
- The Non-Executive Directors are paid remuneration by way of commission and sitting fees. The Company is paying sitting fees of Rs. 15,000/- per meeting to its Non-Executive Directors for attending the meeting of the Board and other Committees. The commission is paid as per the limits approved by shareholders, subject to a limit not exceeding 1% p.a. of the Company (computed in accordance with Section 198 (1) of the Companies Act, 1956) and in such proportion and manner as the Chairman may decide.
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company

#### Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and Committees of the Board of Directors. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

#### Details of Remuneration paid to Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2015-16, are given below:

Name of Director	Sitting fees for Board / Other Committees Meetings (Rs.)	Salaries and other perquisites (Rs)	Other Remuneration (Rs)	Commission (Rs)	Total (Rs)
Ghattu Ramanna Narayan* (Refer Note h)	45000	Nil	Nil	Nil	45000
Mukesh Dahyabhai Patel	270000	Nil	Nil	Nil	270000



Shalil Shashikumar Shroff, Managing Director (Refer Note a)	Nil	6236984	Nil	Nil	6236984
Capt. Surjit Singh Chopra (Retd.)	150000	Nil	Nil	Nil	150000
Vijay Dilbagh Rai	240000	Nil	Nil	Nil	240000
Sindhu Seth	135000	Nil	Nil	Nil	135000
Sheo Prasad Singh	165000	Nil	Nil	Nil	165000
Shivshankar Shripal Tiwari**, Whole Time Director (Refer Note i)	75000	2182186	Nil	Nil	2257186
Avtar Singh, Whole Time Director	Nil	5442707	Nil	Nil	5442707
<b>TOTAL</b>	<b>10,80,000</b>	<b>13861877</b>	<b>Nil</b>	<b>Nil</b>	<b>14941877</b>

**Notes:**

- The employment of Shri Shalil Shashi Kumar Shroff, Managing Director is contractual for a period of three (3) years as approved by the Central Government. The above remuneration includes payment of arrear of Rs. 2,06,419 for the financial year 2014-15.
- The employment of Shri Avtar Singh, Director (Operations & Business Development) Shri Shivshankar Shripal Tiwari, Whole Time Director is contractual for a period of five (5) years.
- The employment is terminable by either party giving three (3) months notice or as may be mutually decided between them and the Company.
- Sh. Shivshankar Shripal Tiwari resigned as a Whole Time Director w.e.f. 05.04.2015 due to his personal reasons and was reappointed as a Director on the Board of the Company liable to retire by rotation.
- Severance compensation is payable to the Managing Director and the Whole-time Director, if his office is terminated before the contractual period, subject to the provisions and limitations specified in Section 202 of the Companies Act, 2013.
- There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.
- No Commission was paid to the Directors since the financial year 2008-09.
- \*He was Director on the Board for part of the year. Accordingly, sitting fees was paid for the meetings attended during that period.
- \*\*He was Whole Time Director for part of the year for which remuneration of Rs. 41,202/- was paid. He was also paid retirement benefits of Rs. 21,40,984/- accrued to him. Sitting fees was paid only for the meetings of the Board attended after his subsequent appointment as a Director.

**10. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Board of Directors in its Meeting held on May 29, 2014 changed the nomenclature of the Shareholders & Investors Grievance Committee to Stakeholders Relationship Committee. The Committee consists of four Directors. The Chairman of the Committee is a Non-Executive Director of the Company.

**Terms of Reference:**

Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share certificates
- Monitor redressal of Investors' / Shareholders' / Security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to Investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading and to carry out functions as referred by the Board of Directors.





- vii) Any other function, duty as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other Regulatory Authority or under any applicable laws, as amended from time to time.

#### Meetings:

The Committee met four (4) times during the year on May 28, 2015; August 11, 2015; November 4, 2015; and February 10, 2016.

#### Composition:

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings during 2015-16	
				Held during tenure	Attended
1	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Chairman	4	4
2	Shri Shalil Shashikumar Shroff	Executive / Non-Independent	Member	4	4
3	Shri. Vijay Dilbagh Rai	Non-Executive / Independent	Member	4	4
4	Shri Avtar Singh	Executive / Non-Independent	Member	4	3

Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary is designated as the Compliance Officer.

During the year, 3 (three) complaints were received from investors. All the complaints have been solved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year.

The Board of Directors of the Company have delegated the power to transfer the shares by any one of Shri Shalil Shashikumar Shroff, Managing Director, or Shri Avtar Singh, Director (Operations & Business Development), or Shri Punit K Abrol, Sr. V P (Finance) & Company Secretary. During the year 2015-16, all transactions viz. shares transfers, transmission, split/consolidation, duplicate share certificates, etc. were approved on a weekly basis by Shri Punit K. Abrol, Sr. V P (Finance) & Company Secretary.

## 11. OTHER COMMITTEES

### a) Risk Assessment Committee:

The Committee consists of four Directors and the Managing Director is the Chairman of the Committee.

Evaluation of business risk and managing the risk has always been an ongoing process in your Company. The Risk Assessment Committee assists the Board in fulfilling its corporate governance duties by overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks.

One Meeting of the Risk Assessment Committee was held on February 10, 2016.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Sr. No.	Name of the Director	Position	Category	Number of Meetings during the year 2015-2016	
				Held	Attended
1.	Shri Shalil Shashikumar Shroff	Chairman	Executive / Non-Independent	1	1
2.	Shri Mukesh Dahyabhai Patel	Member	Non-Executive / Independent	1	1
3.	Shri Avtar Singh	Member	Executive / Non-Independent	1	1
4.	Shri Shivshankar Shripal Tiwari	Member	Non-Executive / Non-Independent	1	1

### b) Corporate Social Responsibility Committee:

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on May 29, 2014 has constituted a Corporate Social Responsibility Committee.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:



Sr. No.	Name of the Director	Category	Position in Committee	Number of Meetings during the year 2015-2016	
				Held	Attended
1.	Shri Mukesh Dahyabhai Patel	Non- Executive / Independent	Chairman	1	1
2.	Shri Shalil Shashikumar Shroff	Executive / Non-Independent	Member	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non- Executive / Non-Independent	Member	1	1
4.	Smt. Sindhu Seth	Non- Executive / Non-Independent	Member	1	1

The Committee was reconstituted on May 28, 2015.

The terms of reference of the Committee includes:

- i) Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ii) To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy;
- iii) Monitoring CSR Policy of the Company from time to time;
- iv) Instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and
- v) To perform any other function or duty as stipulated by the Companies Act and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

During the year, the Committee met on 10th February, 2016.

#### c) Independent Directors' Meeting:

The Company has three Independent Directors who have been appointed by the shareholders of the Company. The details of their appointment has been given under the heading "Board of Directors".

During the year under review, the Independent Directors met on February 10, 2016, inter-alia, to discuss:

- i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- ii. Evaluation of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- iii. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Shri Vijay Rai has been appointed as Lead Independent Director to Chair the Meeting of the Committee.

#### d) Complaint Redressal Committee:

The Company has set in place an Anti Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 named as Policy on 'Prevention of Sexual Harassment at Workplace'. Under this policy, an appropriate complaint mechanism in the form of "Complaint Redressal Committee" has been created in the Company for time-bound redressal of the sexual harassment complaint made by the victim.

The Committee comprises of the following Members:

Sr. No.	Name of the Employee	Designation	Position in Committee
1.	Shri Ravinder Chaddha	V.P. (HR & Admin)	Chairman
2.	Shri Joginder Singh	Representative of Workers' Union	Member
3.	Smt. Pushpa Khanna	Member of NGO	Member
4.	Ms. Reetika Chopra	Assistant Manager (Secretarial)	Member
5.	Head of the Division/ Plant	Appointed by the Managing Director	Member



## 12. DISCLOSURES

### a) Related Party Disclosures:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and during the financial year were in the ordinary course of business and on an arm's length pricing basis.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the Financial Statements.

The transactions with related parties were in the ordinary course of business and on arm's length basis. However, these transactions are periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

The Board has approved a policy for Related Party Transactions under Regulation 23(1) of the Listing Regulations and is available on Company's Website <http://punjabchemicals.com/companypolicy.html>

### b) Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and as referred to in Section 133 of the Companies Act, 2013. The significant accounting policies applied for preparation of financial statements have been set out in the Notes to the Financial Statements.

### c) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matters related to capital markets during the last three years.

### d) Vigil Mechanism / Whistle Blower Policy:

The Company has adopted a whistle blower policy to enable the Directors and Employees to report instances of genuine concerns regarding illegal activities, unethical behaviour and actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy.

The Policy also provides for adequate safeguards against the victimization of concerned who avail of the Vigil Mechanism. It also provides for direct access to the Chairman of the Audit Committee.

It is affirmed that no person has been denied access to the Chairman of the Audit Committee.

### e) Compliance with Mandatory Requirements and adoption of the Non-Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 27 (2) of SEBI (LODR) Regulations, 2015.

The status of adoption of the non-mandatory requirements of Regulation 27(1) and Part E of SEBI (LODR) Regulations, 2015 are as under:

- i. The Chairman of the Company is a Non Executive Director and the Company reimburses him the expenses incurred in performance of his duties.
- ii. The Company has separate persons as the Chairperson and the Chief Executive Officer/Managing Director.
- iii. The Internal Auditor reports to the Managing Director and also has the direct access to the Audit Committee.

### f) The policy for determining 'material' subsidiaries can be viewed at weblink <http://punjabchemicals.com/companypolicy.html>

## 13. GENERAL BODY MEETINGS

### Location and Time of the last three Annual General Meetings:

YEAR	LOCATION	DAY/ DATE	TIME	NO. OF SPECIAL RESOLUTIONS
2012-2013	PHD House, Sector-31, Chandigarh	Wednesday, September 4, 2013	10.30 A.M.	Nil
2013-2014	PHD House, Sector-31, Chandigarh	Tuesday, September 23, 2014	4.00 P.M.	6
2014-2015	PHD House, Sector-31, Chandigarh	Friday, September 11, 2015	9.30 A.M	Nil



Following Special Resolutions were passed at the aforesaid Meetings.

Sr. No.	Meeting Date	Section Reference	Regarding
1.	04.09.2013	Nil	Nil
2.	23.09.2014	Section 14 of the Companies Act, 2013	To amend the Articles of Associations of the Company under section 14 of the Company Act, 2013.
		196,197,198, and 203 of the Companies Act, 2013	Reappointment of Shri Shalil Shroff Managing Director of the Company and to fix his remuneration.
		196,197,198, and 203 of the Companies Act, 2013	Reappointment of Shri Avtar Singh as the Whole-Time Director of the Company and to fix his remuneration.
		180 (1) (c) of the Companies Act, 2013	To approve the Borrowing limits of the Company.
		180 (1)(a) of the Companies Act, 2013	Creation of the Charges on the assets of the Company.
		188 (1)(f) of the Companies Act, 2013	Approval for appointment & payment of Remuneration to Mr. Jaskaran Singh u/s 188 (1) (f) of the Companies Act, 2013.
1	11.09.2015	Nil	Nil

**Postal Ballot:** During the year under review, following four (4) Special Resolutions were passed by the members through Postal Ballot. The details are given as follows:

S. No.	Date of result of Postal Ballot	Particulars of resolution	Type of resolution	Details of voting pattern	
				Votes cast in favour (No. of shares)	Votes cast against (No. of shares)
1.	March 30, 2016	Deletion of clause from object clause of Memorandum of Association of the Company.	Special Resolution	85,38,299 (99.99%)	450 (0.01%)
2.	March 30, 2016	Alteration of Liability Clause of Memorandum of Association of the Company	Special Resolution	85,38,299 (99.99%)	450 (0.01%)
3.	March 30, 2016	Adoption of New Set of Articles of Association	Special Resolution	85,38,299 (99.99%)	450 (0.01%)
4	March 30, 2016	Commission to Non-Executive Directors of the Company	Special Resolution	85,38,092 (99.99%)	657 (0.01%)

Shri S.K Sharma, of M/s S.K Sharma & Associates, Practicing Company Secretaries, Chandigarh, was appointed as the Scrutinizer for conducting the Postal Ballot process and to compile the results of the voting on these resolutions.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.

**Procedure followed for postal ballot :** The Company followed the procedure as prescribed under the Companies (Management and Administration), Rules, 2014 as amended and the Secretarial Standard 2 issued by ICSI.

To pass above resolutions by way of postal ballot, the Company sent notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requested them to cast their votes through electronic voting (e-voting) or through postal ballot.

The notice was sent through permitted means.

The advertisement was published about having dispatch of ballot papers specifying date of dispatch in a vernacular newspaper and one English newspaper.

The notice was also placed on the website of the Company

The Board of Directors appointed M/s SK Sharma & Associates, Practising Company Secretaries as Scrutinizer to conduct the postal ballot, voting process in a fair and transparent manner.

The Scrutinizer submitted the report as per the Calendar of Events.

The Scrutinizer maintained the register, recording the assent or dissent received, mentioning the particulars of name, address, folio no, number of shares, nominal value of shares and record of postal ballot.

The result was declared by placing it on the website of the Company along with the scrutinizer's report.



## 14. MEANS OF COMMUNICATION

- a) The Company regularly intimates un-audited as well as audited quarterly, half-yearly and annual financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in the Financial Express (all Edition in English and Hindi Edition in Chandigarh) in Jansatta, and are also displayed on the website of the Company [www.punjabchemicals.com](http://www.punjabchemicals.com).  
The quarterly results, Shareholding Pattern, quarterly compliances and all other Corporate Communication to the Stock Exchanges viz. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically in BSE Listing Centre for BSE and in NEAPS for NSE portal. These communications are also posted on the Company's website.
- b) Management Discussion and Analysis forms part of the Annual Report.

## 15. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

Date and Time	Friday, the 9th September, 2016 at 10.00 A.M.
Venue	PHD House, Sector- 31, Chandigarh.
Financial Year	Year ending March 31, 2016.
Date of Book Closure	2nd September, 2016 to 9th September, 2016
Dividend payment date	N.A

### Listing on Stock Exchanges:

The Company's shares are listed on:

1. BSE Limited (BSE), 1st Floor, New Trading Wing  
P.J. Towers, Dalal Street, Fort, Mumbai-400 001.
2. National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai-400 051.

(Listing Fee has been paid to both the Stock Exchanges).

### Stock Codes/Symbol (for shares)

BSE Limited (Code)	:	506618
National Stock Exchange of India Ltd. (symbol)	:	PUNJABCHEM
De-mat ISIN Number in NSDL & CDSL	:	INE277B01014

-Volume of Shares traded on BSE: 3844286 shares

-Volume of Shares traded on NSE: 7638372 shares

### b) Market Price Data at BSE and NSE:

MONTH & YEAR	PCCPL Price at BSE (Rs.)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
April,2015	248.00	181.00	217.00	29094.61	26897.54	27011.31
May,2015	293.80	194.60	236.30	28071.16	26423.99	27828.44
June,2015	249.90	196.60	230.00	27968.75	26307.07	27780.83
July,2015	304.40	217.00	284.60	28578.33	27416.39	28114.56
Aug,2015	309.00	174.50	201.00	28417.59	25298.42	26283.09
Sept,2015	208.50	160.40	197.60	26471.82	24833.54	26154.83
Oct,2015	228.00	177.00	178.30	27618.14	26168.71	26656.83
Nov,2015	184.00	165.10	176.40	26824.30	25451.42	26145.67
Dec,2014	190.00	166.00	179.20	26256.42	24867.73	26117.54
Jan,2016	190.80	136.20	151.70	26197.27	23839.76	24870.69
Feb,2016	158.00	109.90	115.00	25002.32	22494.61	23002.00
Mar,2016	147.00	115.00	139.00	25479.62	23133.18	25341.86

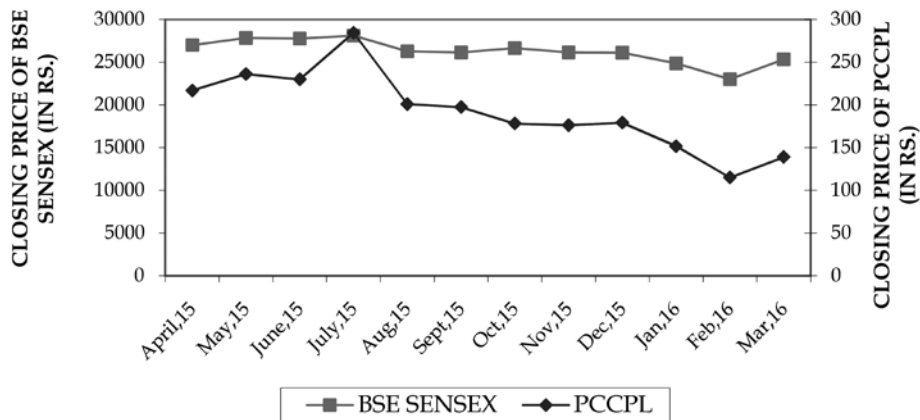


MONTH & YEAR	PCCPL Price at NSE (Rs.)			NIFTY (Rs.)		
	High	Low	Month Close	High	Low	Month Close
April,2015	247.55	181.60	217.25	8844.80	8144.75	8181.50
May,2015	293.90	193.00	236.35	8489.55	7997.15	8433.65
June,2015	248.00	196.00	229.95	8467.15	7940.30	8368.50
July,2015	303.00	217.05	284.60	8654.75	8315.40	8532.85
Aug,2015	309.00	173.50	201.10	8621.55	7667.25	7971.30
Sept,2015	208.90	160.25	197.90	8055.00	7539.50	7948.90
Oct,2015	236.50	176.70	178.85	8336.30	7930.65	8065.80
Nov,2015	184.95	165.20	173.70	8116.10	7714.15	7935.25
Dec,2015	191.00	166.05	179.30	7979.30	7551.05	7946.35
Jan,2016	192.15	137.25	151.00	7972.55	7241.50	7563.55
Feb,2016	158.50	109.00	115.10	7600.45	6825.80	6987.05
Mar,2016	147.10	113.25	138.55	7749.40	7035.10	7735.20

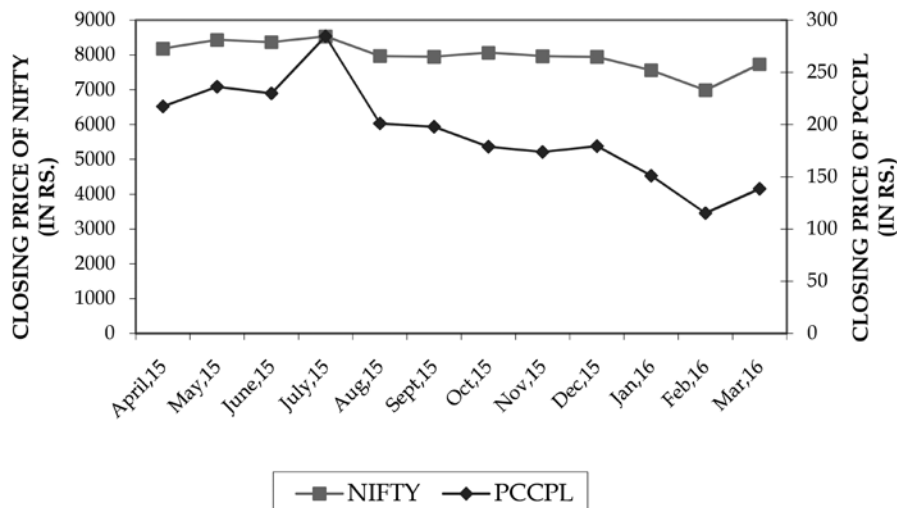
**c) Share Price Movements:**

The charts given hereunder plots the movement of the Company's Equity share prices on BSE versus BSE Sensex and Company's Equity share prices on NSE versus NSE NIFTY, respectively, for the year 2014-15:

**PCCPL Vs BSE SENSEX**



**PCCPL Vs NIFTY**





**d) Market Capitalisation and Price-Earnings Ratio:**

		<b>As on 31st March, 2016</b>	As on 31st March, 2015
a.	Closing Price (BSE) (in Rs.)	<b>139.00</b>	183.70
b.	Market Capitalisation (in crores)	<b>170.44</b>	225.25
c.	Price-Earnings Ratio	<b>4.78</b>	63.13

**e) Registrar and Share Transfer Agent (RTA):**

The Registrar and Share Transfer Agent of the Company is M/s Alankit Assignments Ltd., 1E/13, Alankit Heights, Jhandewalan Extension, New-Delhi- 110 055.

**f) Share Transfer Procedure:**

The Registrar and Share Transfer Agent processes the share transfer/ transmission requests on a weekly basis and the share transfers in physical form are approved by the Sr.V.P (Finance) & Company Secretary, as per the authority delegated to him by the Board of Directors to, inter alia, approve the share transfers and transmission.

The shares are normally transferred every week and returned within a period of 15 days from the date of receipt, if the documents are in order in all respects. There are no share transfers pending as on March 31, 2016.

Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) within the statutory time limit from the date of receipt of Share Certificates provided the documents are complete in all respects. As per Regulation 40 of SEBI (LODR) Regulations, 2015, a Certificate from the Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time on half yearly basis confirming due compliance of share transfer formalities by the Company.

**g) Distribution of Shareholding as on 31st March, 2016:**

<b>FROM-TO</b>	<b>NO. OF SHAREHOLDERS</b>		<b>NO. OF SHARES</b>		<b>DEMAT HOLDING</b>	
<b>Number of Shares</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
1-500	25701	96.14	990268	8.08	809551	6.60
501-1000	542	2.03	423339	3.45	396152	3.23
1001-2000	239	0.90	346320	2.82	330522	2.70
2001-3000	77	0.29	197665	1.61	197665	1.61
3001-4000	54	0.20	190132	1.55	182219	1.49
4001-5000	23	0.09	110162	0.90	105162	0.86
5001-10000	49	0.18	335170	2.73	328764	2.68
10001 & above	47	0.18	9669129	78.85	9669129	78.85
<b>TOTAL</b>	<b>26732</b>	<b>100.00</b>	<b>12262185</b>	<b>100.00</b>	<b>12019164</b>	<b>98.02</b>

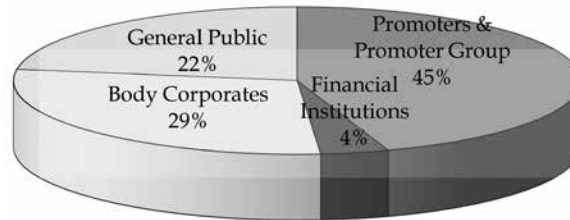
**Categories of Shareholders as on 31st March, 2016.**

<b>Sr. No.</b>	<b>CATEGORY</b>	<b>NO. OF SHARES HELD</b>	<b>PERCENTAGE OF SHAREHOLDING (%)</b>
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>		
1)	Indian	5493867	44.80
2)	Foreign		
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>5493867</b>	<b>44.8</b>
<b>B.</b>	<b>Public Shareholding</b>		
<b>1)</b>	<b>Institution:</b>		
a)	Mutual Funds	6,432	0.05
b)	Financial Institutions/Banks	18111	0.15
c)	Central Govt./ State Govt .Co.	1,22,027	0.99
d)	Insurance Company	-	
e)	Foreign Institution Investors	328589	2.68
	Sub total (B) (1)	<b>475159</b>	<b>3.87</b>



<b>2)</b>	<b>Non-Institutions</b>		
a)	Private Corporate Bodies	3517695	28.69
b)	Indian Public	2751826	22.44
c)	NRIs	19846	0.17
d)	Trust	3792	0.03
	<b>Sub Total (B) (2)</b>	<b>6293159</b>	<b>51.33</b>
	<b>Total Public Shareholding (B)(1)+(B)(2)</b>	<b>6768318</b>	<b>55.20</b>
	<b>TOTAL</b>	<b>1,22,62,185</b>	<b>100.00</b>

#### SHAREHOLDING PATTERN



#### h) Dematerialization of shares and liquidity:

As per extant guidelines, trading in equity shares of the Company is mandatory in dematerialised form. To facilitate trading in demat form, there are two depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2016, 98.02 % of the Company's share capital is held in dematerialised form. The Company's shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

#### i) Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

Not applicable

#### j) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company has not entered into any hedging activities and not dealt in commodity price or Foreign Exchange risk activities.

#### k) Unclaimed Shares:

Pursuant to Regulation 39(4) read with Schedule VI of the SEBI (LODR) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense accounts which were issued in physical form, respectively:

S.No.	Particulars	No. of share holders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	2995	36263
(ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	7	353
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	7	353
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year as on 31.03.2016	2988	35910

The voting rights on these outstanding shares lying in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

#### l) Address for correspondence by investors:

- For transfer/ transmission of shares held in physical form, duplicate share certificates, change of address and any other query relating to the shares, Investors may communicate with **Registrar & Share Transfer Agent** at the Following Address:





Alankit Assignment Ltd,  
1E/13, Alankit Heights  
Jhandewalan Extension,  
New Delhi-110055,  
Tel: 011-42541234,  
011-42541953  
Fax: 011-23552001  
E-mail: info@alankit.com

- b. For information/ query regarding the dividends, Investors should communicate with the Company.
- c. Shareholders holding shares in demat form, should address all correspondence to their respective depository participants.
- d. Shri Punit K. Abrol, Sr.V.P. (Finance) & Company Secretary is the Compliance Officer of the Company. For investor queries, the Compliance Officer may be contacted on an exclusive email ID: investorhelp@punjabchemicals.com.

#### Nomination Facility :

Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Desirous Members may approach to the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in de-mat form, for availing the same facility.

#### m) Plant Locations :

Location of Manufacturing Sites :		
<b>Agro-Chemicals Division</b> Milestone-18, Ambala Kalka Road, P.O.Bhankharpur, Distt. SAS Nagar, Mohali (Pb.) 140 201, Ph.: 01762-280086, 280094, 522253 Fax : 01762-280070 Email : factoryinfo@punjabchemicals.com	<b>Pharma Division – Unit Alpha Drug</b> Villages: Kolimajra & Samalheri P.O.: Lalru, Distt. SAS Nagar Mohali (Pb) Ph.: 01762-275519, 506996 Fax: 01762-275308, 506999 Email: pharmainfo@punjabchemicals.com	<b>Industrial Chemical Division</b> Site No. I & II, H.A. Ltd., Compound Pimpri, Pune-400 018. Ph.: 020-27425647-9 Fax: 020-27425652

#### n) Address for Correspondence:

<b>Registered Office</b> S.C.O : 183, First Floor, Sector – 26, Madhya Marg, Chandigarh 160 019. Tel: 0172-5008300/ 5008301 Fax : 0172-2790160 E-mail: info@ punjabchemicals.com	<b>Corporate Office</b> Plot No. 645-46, 4th/5th Floor, Oberoi Chambers II, New Link Road, Andheri (W), Mumbai-400 053. Ph: 022-26747900 (30 lines), Fax: 022-26736013, 26736193 Email: enquiry@ punjabchemicals.com	<b>Hyderabad Office</b> 414, Navketan Complex, Opp. Clock Tower Garden, 62, S.D. Road, Secunderabad -500 003. Ph.: 040-27805662 Fax: 040-27805663 Email: Jose@ punjabchemicals. com	<b>Ahmedabad Office</b> 205-206, Supath – II Complex Ashram Road Near Vadaj Bus Terminus Ahmedabad-380 013 Cell : 09898892994 Ph.: 079-27552583 Fax : 079-27561127 Email: kalendu@ punjabchemicals.com
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#### o) Group Companies:

<b>Sintesis Quimica S.A.I.C</b> Parana 755, 10th Floor, Buenos Aires, Argentina (C1017AAO). Tel: 54-11-4372-0900	<b>SD Agchem (Europe) NV</b> Uitbreidingstraat 84/B3 2600, Berchem (Antwerp), Belgium. Tel: 0032 3542 5722 Fax: 0032 3232 3735 Email: fborges@sdagchem.be	<b>STS Chemicals (UK) Ltd.</b> 288 OXFORD ROAD GOMERSAL CLECKHEATON WEST YORKSHIRE ENGLAND, BD19 4PY
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## 16. RECONCILIATION OF SHARE CAPITAL

Pursuant to Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, quarterly audit of the Company's share capital is carried out by an independent and qualified Practicing Company Secretary for the purpose of reconciliation of the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form, with the issued and listed capital of the Company. The reconciliation of share capital audit report alongwith the certificate from the Practicing Company Secretary is submitted to the Stock Exchanges within 30 days from the end of each quarter under the aforesaid Regulation. The certificate, inter alia, confirms that the total issued capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL depositories) and number of shares in physical form.



## 17. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of SEBI (LODR) Regulation, 2015 of the Listing Agreement, the Certificate duly signed by Shri Shalil Shashikumar Shroff Managing Director and Shri Vipul Joshi, Chief Financial Officer was placed before the Board of Directors along with the financial statements for the year ended March 31, 2016 at its meeting held on May 30, 2016, forms part of this report.

## 18. MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT AND ETHICS

The Board of Directors of the Company has laid down Code of Conduct and Ethics ("Code") for all the Board Members and Senior Management Personnel of the Company. The updated Code incorporates duties of Independent Directors. The Code is available on the website of the Company at <http://punjabchemicals.com/companypolicy.html>

All the Board Members and Senior Management have affirmed their compliance with this Code for the financial year ended March 31, 2016. A declaration to this effect in compliance with SEBI (LODR) Regulation, 2015 of the Listing Agreement, duly signed by Shri Shalil Shroff, Managing Director of the Company, also forms part of this report.

For **Punjab Chemicals & Crop Protection Limited**

Place : Mumbai  
Date : May 30, 2016

**Mukesh D. Patel**  
Chairman



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To The Members of  
Punjab Chemicals and Crop Protection Limited

We have examined the compliance of conditions of Corporate Governance by Punjab Chemicals and Crop Protection Limited ("the Company") for the year ended on 31st March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of SEBI (LODR) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchanges.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh  
Date: May 30, 2016

For **S.K. Sharma & Associates**  
Company Secretaries  
Sd/-  
**S.K. Sharma**  
FCS No: 374, C.P No. 3864

### DECLARATION

As per Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Shalil Shroff, Managing Director of the Company, confirm the compliance with the Code of Conduct by myself and other members of the Board and Senior Management personnel as affirmed by them individually on annual basis for the financial year ended March 31, 2016.

For Punjab Chemicals & Crop Protection Limited

Mumbai  
Date: May 30, 2016

Shalil Shroff  
(Managing Director)  
(DIN No.: 00015621)

## CERTIFICATE

To the Board of Directors of  
Punjab Chemicals and Crop Protection Limited

I, Shalil Shashikumar Shroff, Managing Director and Vipul Joshi, Chief Financial Officer of the Company certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
  - i) There has not been any significant changes in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) There has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

Place: Mumbai  
Date: May 30, 2016

**Shalil Shroff**  
Managing Director  
(DIN No.: 00015621)

**Vipul Joshi**  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

To the Members of Punjab Chemicals & Crop Protection Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Punjab Chemicals & Crop Protection Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: May 30, 2016



## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

### Re: Punjab Chemicals & Crop Protection Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities except for provident fund, Service tax, profession tax and employees' state insurance where there have been serious delays observed in large number of cases.
- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs in lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Disallowances	468	2004-2010	ITAT & High Court
The Central Excise Act	Wrong Availment of Cenvat, Inadmissible Input Service Tax Credit Availed, Tax on Product registration	589	2008-2016	CESTAT & Commissioner (Appeal)
The Punjab Sales Tax Act	Penalty	11	2004-05	Entry tax Office, Shambhu Barrier

- (viii) According to the information and explanations given by the management, the Company has delayed in repayment of dues to banks to the extent of Rs. 3,396 lacs (delay from 1 day to 1187 days) and Rs. 337 lacs of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Particulars	Amount of the default as the Balance sheet date	Period of default since
EXIM Bank	80	31-03-16
Central Bank of India	76	31-03-16
Allahabad Bank	181	31-03-16



The company has not defaulted in repayment of dues to financial institution and the Company did not have any outstanding dues in respect of debenture holders during the year.

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: May 30, 2016



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

### Standalone Financial Statement of Punjab Chemicals & Crop Protection Limited

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Punjab Chemicals & Crop Protection Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: May 30, 2016

**BALANCE SHEET AS AT 31 MARCH 2016**

Rs. in lacs

	Notes	31 March 2016	31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,226	1,226
Reserves and surplus	4	4,248	691
		<b>5,474</b>	1,917
<b>Non-current liabilities</b>			
Long-term borrowings	5	9,854	11,490
Long-term provisions	6	1,056	985
		<b>10,910</b>	12,475
<b>Current liabilities</b>			
Short-term borrowings	7	4,963	9,472
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	8a	5,902	6,020
Other current liabilities	8b	7,684	11,387
Short-term provisions	6	984	767
		<b>19,533</b>	27,646
<b>Total</b>		<b>35,917</b>	42,038
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant and Equipment	9	16,407	20,745
Intangible assets	10	1,139	1,316
Capital work-in-progress		232	560
Intangible assets under development		146	115
Non-current investments	11	348	348
Loans and advances	12	3,221	3,026
Trade receivables	13	-	-
Other non-current assets	14	176	458
		<b>21,669</b>	26,568
<b>Current assets</b>			
Current investments	15	3	3
Inventories	16	4,507	5,719
Trade receivables	13	5,555	5,866
Cash and bank balances	17	187	647
Loans and advances	12	2,071	2,508
Other current assets	14	1,925	727
		<b>14,248</b>	15,470
<b>Total</b>		<b>35,917</b>	42,038
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

For **SRBC & CO LLP**

ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

**Mukesh D Patel**  
Chairman  
DIN No:00009605

**Shalil Shroff**  
Managing Director  
DIN No:00015621

**Avtar Singh**  
Director (Operations & Business Development)  
DIN No:00063569

per **Ravi Bansal**  
Partner  
Membership no.: 49365

**Punit K. Abrol**  
Sr.V.P.(Finance) &  
Company Secretary

**Vipul Joshi**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2016

Place: Mumbai  
Date: May 30, 2016



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Rs. in lacs			
<b>Income</b>			
Revenue from operations (gross)	18	37,032	42,196
Less: Excise duty		1,309	1,225
<b>Revenue from operations (net)</b>		<b>35,723</b>	40,971
Other income	19	1,252	1,057
<b>Total revenue</b>		<b>36,975</b>	42,028
<b>Expenses</b>			
Cost of raw materials consumed	20	19,950	23,249
Purchase of traded goods	21	49	336
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	168	325
Employee benefits expense	23	4,403	4,384
Operating and other expenses	24	8,589	8,233
<b>Total expenses</b>		<b>33,159</b>	36,527
<b>Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)</b>		<b>3,816</b>	5,501
Depreciation and amortization expenses	25	1,544	1,758
Finance costs	26	2,147	3,170
<b>Profit before tax and exceptional items</b>		<b>125</b>	573
Exceptional (Expenses) / Incomes	27	3,446	(217)
<b>Profit before tax</b>		<b>3,571</b>	356
<b>Tax Expense</b>			
Current tax			
Pertaining to profit for the current period		122	-
MAT credit entitlement		(113)	-
<b>Total tax expenses</b>		<b>9</b>	-
<b>Profit for the year</b>		<b>3,562</b>	356
<b>Earnings per equity share</b>			
<b>[nominal value of share Rs. 10 each (31 March 2015: Rs. 10 each)]</b>			
Basic and diluted (in Rs.)		29.05	2.91
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

**Mukesh D Patel**  
Chairman  
DIN No: 00009605

**Shalil Shroff**  
Managing Director  
DIN No: 00015621

**Avtar Singh**  
Director (Operations & Business Development)  
DIN No: 00063569

per **Ravi Bansal**  
Partner  
Membership no.: 49365

**Punit K. Abrol**  
Sr. V.P. (Finance) &  
Company Secretary

**Vipul Joshi**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2016

Place: Mumbai  
Date: May 30, 2016



## CASHFLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016

Rs. in lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
<b>Cash flow from operating activities</b>		
Profit before tax	3,571	356
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization expenses	1,544	1,758
Write back of borrowings along with accrued interest	(4,577)	-
Sundry credit balance written back (net)	(67)	(58)
Interest income	(210)	(338)
Dividend income	-	-
Income in respect of government grants	(5)	(4)
Interest Expense	2,147	3,170
Profit on sale of plant, property and equipment (net)	(124)	(37)
Unrealised foreign exchange Loss/(Gain) (net)	(492)	638
Advances written off	44	49
Property, plant and equipment discarded / scrapped	1,131	-
Equipment written off	10	-
Provision for doubtful advances (net)	230	16
Provision for diminution in value of Investments	-	-
Provision for doubtful debts (net)	905	227
<b>Operating Profit before working capital changes</b>	<b>4,107</b>	<b>5,777</b>
<b>Movement in working capital</b>		
Decrease/(Increase) in trade receivables	(274)	697
Decrease/(Increase) in inventories	1,212	865
Decrease/(Increase) in other current assets and non-current assets	302	17
Decrease/(Increase) in long-term and short-term loans and advances	373	(790)
Increase/(Decrease) in trade payables and other current liabilities	2,312	(1,834)
Increase/(Decrease) in long-term and short-term provisions	166	199
<b>Cash generated from / (used) in operations</b>	<b>8,198</b>	<b>4,931</b>
Direct taxes paid (net of refunds)	(113)	(87)
<b>Net cash generated from / (used) in operating activities</b>	<b>8,084</b>	<b>4,844</b>
<b>Cash Flow from investing activities</b>		
Purchase property, plant and equipment including CWIP and capital advances	(806)	(1,599)
Proceeds from sale of property, plant and equipment	1,786	1,239
Investment in Shares and Mutual funds	0	(13)
Investment in Fixed deposits (with maturity more than three months)	(53)	37
Maturity of Fixed deposits (with maturity more than three months)	-	-
Interest received	224	310
Dividend received	-	-
<b>Net cash flow from /(used) in investing activities</b>	<b>1,151</b>	<b>(26)</b>



	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	<b>221</b>	-
Repayments of borrowings	<b>(7,173)</b>	(4,095)
Interest Paid	<b>(2,797)</b>	(2,421)
<b>Net cash flow from (used) in financing activities</b>	<b>(9,749)</b>	(6,516)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(513)</b>	(1,698)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>628</b>	2,326
<b>Cash and cash equivalents at the end of the year</b>	<b>115</b>	628
<b>Components of cash &amp; cash equivalents</b>		
Cash on hand	<b>6</b>	4
With banks		
a) on current account	<b>107</b>	543
b) on deposit account with original maturity of less than three months	-	73
c) on unpaid dividend account*	<b>2</b>	8
<b>Total cash &amp; cash equivalents (note 17)</b>	<b>115</b>	628

\*These balances are not available for use by the company as they represent corresponding unpaid dividend liability.

Summary of significant accounting policies

**Notes:**

1. Comparative figures have been regrouped wherever necessary.

2. The Cash Flow statement has been prepared under indirect method as set out in the Accounting Standard - 3 on "Cash Flow Statements" as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per **Ravi Bansal**

Partner  
Membership no.: 49365

Place: Mumbai  
Date: May 30, 2016

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

**Mukesh D Patel**  
Chairman  
DIN No:00009605

**Punit K. Abrol**  
Sr.V.P. (Finance) &  
Company Secretary

Place: Mumbai  
Date: May 30, 2016

**Shalil Shroff**  
Managing Director  
DIN No:00015621

**Avtar Singh**  
Director (Operations & Business Development)  
DIN No:00063569

**Vipul Joshi**  
Chief Financial Officer



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

## 1. Corporate information

Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Company") is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates. The Company has presence in both the domestic and international markets.

## 2. Basis of preparation

A) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2016, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of land and building for which are carried out at revalued amounts. The accounting policies adopted in preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

B) As at March 31 2016 the current liabilities have exceeded current assets by Rs. 5,163 lacs. Based on the strategic long term supply contracts with its customers with minimum commitment of supply of products and the future business plans the management is confident that the Company will be able to generate profits in future years and meet its financial obligation as they arise accordingly, the accompanying financial statements have been prepared on a going concern basis.

### 2.1 Summary of significant accounting policies

#### Change in accounting policy

The Company has adopted component accounting as required under Schedule II to the Companies Act 2013 from 1st April 2015. The Company was previously not identifying the components of Property, Plant and Equipment separately for depreciation purpose, rather a singly useful life was used to depreciate each item of Property, Plant and Equipment.

Due to application of Schedule II to the Companies Act, 2013 and AS10 (R), the company has changed the manner of depreciation for its plant, property and equipment. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used transitional provisions of Schedule II to adjust the impact of component

accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

#### a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

#### b. Plant, Property and Equipment

Plant, property and equipment, capital work in progress are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation, amortization and accumulated impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of plant, property and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Items of fixed assets that are held for disposal are stated at the lower of their book value and net realisable value and are shown separately in the financial statement under Other Current Assets. Any expected loss is recognised immediately in the statement of Profit and Loss.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

#### c. Intangible assets

Initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not



exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### Research and Development Costs

Research costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

“Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete the asset,
- Its ability to use or sell the asset,
- How the asset will generate future economic profits,
- The availability of adequate resources to complete the development and to use or sell the asset,
- The ability to measure reliably the expenditure attributable to the intangible asset during the development.”

A summary of amortization policies applied to the company's intangible assets is below:

	Useful lives estimated by management (years)
Computer Software / Licence	3
Product Registration (including task charges, task force studies and other related expenses)	10
Technical Know How	5

### d. Depreciation and Amortization

Leasehold land is amortized on a straight line basis over the period of lease

Depreciation on plant, property and equipment is calculated on a straight line method for buildings, plant & equipments and electrical installations in accordance with section 123 of the Companies Act, 2013 except in respect of the following assets based on technical estimates as per life specified below.

	Useful lives estimated by management (years)
Factory building	28
Office building	58
Reactors, Pumps & Tanks and Piping in plants	5 to 20
Electrical Motors & Works	12 to 20
Generators and Ejectors	10 to 15

In respect of all other Fixed Assets, on written down value basis in accordance with section 123 of the Companies Act, 2013 at the life specified in Schedule II to the Companies Act, 2013.

### e. Impairment of Tangible and Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### f. Leases

#### Company is lessee

##### Finance lease

i) Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

ii) If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset, the lease term and Schedule II as per the Companies Act, 2013.



### Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company is lessor

### Operating lease

Assets subject to operating leases are included in fixed assets. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc are recognized immediately in the statement of profit and loss.

### **g. Investments**

"Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long-term investments."

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **h. Inventories**

i) Raw Materials, Stores and Spares and Packing Materials are valued at lower of cost or net realizable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

ii) Traded Goods are valued at lower of cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

iii) Finished goods and Work-in-Progress are valued at lower of cost or net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

iv) By Products are valued at net realizable value.

v) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **i. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### **Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

### **Income from services**

Income from services rendered is recognized based on the terms of the agreements as and when services are rendered and are net of service tax (wherever applicable). The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from the revenue.

### **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **Dividends**

Dividend income is recognized when the Companies right to receive dividend is established by the balance sheet date.

### **Export benefits**

Raw Material imported duty free under Advance License are accounted for inclusive of Custom Duty. Benefits are accrued under the Duty Free Import Authorization (DFIA) Scheme and Merchandise Export from India Scheme (MEIS) on sale of export made during the year has been classified under the head "Export Benefits" in "Other operating revenue".

### **j. Government and other grants**

i) Grants and subsidies from the government/others are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

ii) Grants related to Depreciable assets are treated as Deferred Income which is recognized in the statement of profit and loss on a rational basis over the useful life of the Assets.

iii) Government grants of the nature of promoters' contribution are credited to capital subsidy and treated as a part of shareholders' funds.





## k. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## l. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## m. Retirement and other employee benefits

### Long term employee benefits

#### Defined contribution plans

The Company has defined contribution plans for post employment benefits in the form of Superannuation Fund (for selected employees) which is recognized by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further the Company also has a defined contribution plan in the form of a Provident Fund scheme for its all employees, which are administered by the Provident Fund Commissioner.

All the above mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss as incurred.

#### Defined benefit plans

The Company has defined benefit plan for post retirement benefit in the form of Gratuity which is administered through trustees and/or LIC (in some units) for all its employees which is recognized by the Income-tax authorities. Liability for Defined Benefit Plans is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

### Other long term employee benefit

The Company has for all employees other long-term benefits in the form of Leave Encashment as per the policy of the Company. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by as actuary. The

Company presents the entire compensated absences as short term provisions, since employee's have an unconditional right to avail the leave at any time during the year.

### Actuarial gains/(losses)

Actuarial gains/losses (for defined benefit and other long term benefit) comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss as income or expense.

### Voluntary retirement scheme

Voluntary retirement scheme expenses are fully charged to statement of profit & loss in the year in which they accrue.

## n. Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Conversion at the Balance Sheet date

Foreign currency monetary items are restated using the closing exchange rate. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction.

### Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise except those arising from investments in non-integral operations.

## o. Borrowing costs

"Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur."

## p. Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available



against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### **q. Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### **r. Segment reporting policies**

##### **Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The

analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

##### **Inter-segment transfers**

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

##### **Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

##### **Unallocated items**

Includes general corporate income and expense items which are not allocated to any business segment.

##### **Segment policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

##### **s. Measurement of EBITDA**

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs, tax expense and exceptional items.

##### **t. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



Rs. in lacs

	31 March 2016	31 March 2015
<b>3. Share capital</b>		
<b>Authorized shares</b>		
19,800,000 (31 March 2015: 19,800,000) equity shares of Rs. 10/- each	1,980	1,980
20,000 (31 March 2015: 20,000) 9.8% redeemable cumulative preference shares of Rs. 100/- each	20	20
	<b>2,000</b>	<b>2,000</b>
<b>Issued shares</b>		
12,277,218 (31 March 2015: 12,277,218) equity shares of Rs. 10/- each	1,228	1,228
<b>Subscribed and fully paid-up shares</b>		
12,262,185 (31 March 2015: 12,262,185) equity shares of Rs. 10/- each	1,226	1,226
	<b>1,226</b>	<b>1,226</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Equity shares	31 March 2016		31 March 2015	
	Numbers	Rs. in lacs	Numbers	Rs. in lacs
At the beginning and at the end of the year	1,22,62,185	1,226	1,22,62,185	1,226

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

	31 March 2016 In numbers	31 March 2015 In numbers
Equity shares allotted as fully paid-up pursuant to a scheme of amalgamation for consideration other than cash in 2011-12	69,293	69,293
	<b>69,293</b>	<b>69,293</b>

**d. Details of shareholders holding more than 5% shares in the company**

Name of the shareholders	31 March 2016		31 March 2015	
	Numbers	% holding	Numbers	% holding
<i>Equity shares of Rs. 10 each fully paid-up</i>				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**4. Reserves and surplus**

Rs. in lacs

	31 March 2016	31 March 2015
Capital reserve	309	309
Capital redemption reserve	28	28
Capital reduction reserve	21	21



	31 March 2016	31 March 2015
Securities premium reserve	5,707	5,707
Capital subsidy from state government	35	35
Amalgamation reserve	19	19
<b>Government grant</b>		
Balance as per last financial statements	18	21
Less: Grant recognized in the statement of profit and loss	3	3
	15	18
<b>Development aid grant UNIDO</b>		
Balance as per last financial statements	22	24
Less: Grant recognized in the statement of profit and loss	2	2
	20	22
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(5,468)	(5,508)
Less: Adjustment to written down value of assets fully depreciated pursuant to Schedule II of Companies Act, 2013 (Refer note 9 (f))	-	(316)
Add: Profit for the year	3,562	356
<b>Net deficit in the statement of profit and loss</b>	(1,906)	(5,468)
<b>Total reserves and surplus</b>	4,248	691

## 5. Long-term borrowings

Rs. in lacs

	Non current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Term loans</b>				
<b>From banks</b>				
Term loan (secured) (refer note a to d below and note 45)	9,842	11,476	1,972	5,766
Housing finance scheme (secured) (refer note f below)	-	-	-	1
<b>From others</b>				
Housing finance scheme (secured) (refer note g below)	12	14	2	3
<b>Other loans and advances</b>				
Working Capital Demand Loans from Banks (secured) (refer note a and e below and note 45)	-	-	177	1,492
	9,854	11,490	2,151	7,262
<b>The above amount includes</b>				
Secured borrowings	9,854	11,490	2,151	7,262
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "Other current liabilities" (note 8b)	-	-	(2,151)	(7,262)
	9,854	11,490	-	-

a. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the term loan amounting to Rs. 11,814 lacs (Previous year Rs. 17,242 lacs) and working capital demand loan amounting to Rs. 177 lacs (Previous year Rs. 1,492 lacs) is secured by way of first pari passu charge on movable assets



including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.

b. Term Loans amounting to Rs. 6,516 lacs (Previous year: Rs. 7,565 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 269 lacs (Previous year: Rs. 194 lacs) is overdue for a period of 1 day (Previous year 1 to 821 days) as on the reporting date.

c. Working Capital Term Loans amounting to Rs. 2,546 lacs (Previous year: Rs. 5,254 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 14 lacs (Previous year: Rs. 370 lacs) is overdue for a period of 1 day (Previous year 1 to 821 days) as on the reporting date.

d. Funded Interest Term Loan amounting to Rs. 2,752 lacs (Previous year: Rs. 4,423 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 54 lacs (Previous year: 169 lacs) is overdue for a period of 1 day (Previous year 1 to 548 days) as on the reporting date.

e. Working Capital Demand Loans amounting to Rs. 177 lacs (Previous year: Rs. 1,492 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 177 lacs (Previous year: Rs. 1,492 lacs) is overdue for 1279 days (Previous year 913 days) as on the reporting date. (Refer note 45b for further details)

f. Housing Loan form ICICI Bank Ltd amounting to Rs. Nil (Previous year: Rs. 1 lac) is secured by a first charge by way of mortgage of residential flat situated at Mumbai and is carrying interest rate ranging from 12% - 16% p.a. (Previous year 12%-16% p.a.).

g. Loan from Housing Development Finance Corporation Limited for Rs. 14 lacs (Previous year: Rs. 17 lacs) is secured by equitable mortgage by way of the deposit of the title deeds of the properties of respective employees who have availed the loan under said Schemes and is carrying interest rate of 12% - 16% p.a. (Previous year 12%-16% p.a.) and is repayable in 48 EMLs.

## 6. Provisions

Rs. in lacs

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 29)	1,056	985	120	103
Provision for leave encashment	-	-	508	426
(A)	1,056	985	628	529
<b>Other provisions</b>				
Provision for taxation (net)	-	-	356	234
Provision for wealth tax	-	-	-	4
(B)	-	-	356	238
(A+B)	1,056	985	984	767

## 7. Short-term borrowings

Rs. in lacs

	31 March 2016	31 March 2015
Cash credit from banks (secured) (refer note a and b below and note 45)	4,619	7,300
Working capital demand loan from banks (secured) (refer note a and c below and note 45)	-	1,385
Inter-corporate deposits repayable on demand (unsecured)	344	787
	4,963	9,472
The above amount includes		
Secured borrowings	4,619	8,685
Unsecured borrowings	344	787
	4,963	9,472

a. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the cash credit amounting to Rs. 4,619 lacs (Previous year: Rs. 7,300 lacs) and working capital demand loan amounting to Rs. Nil (Previous year: Rs. 1,385 lacs) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.



- b. Cash Credit amounting to Rs. 4,619 lacs (Previous year: Rs. 7,300 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.).
- c. Working Capital Demand Loans amounting to Rs. Nil (Previous year: Rs. 1,385 lacs) is carrying interest rate of 10.25% p.a. (Previous year 10.25% p.a.).
- d. Inter-corporate deposits amounting to Rs. 344 lacs (Previous year: Rs. 787 lacs) is carrying interest rate of 12.75% p.a (Previous year 12.75% p.a.).

**8. Trade payables and other current liabilities**

Rs. in lacs

	31 March 2016	31 March 2015
<b>8a. Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 37 for details of dues to micro and small enterprises)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>5,902</b>	6,020
	<b>5,902</b>	6,020
<b>8b. Other current liabilities</b>		
Current maturities of long term borrowings (refer note 5)	<b>2,151</b>	7,262
Payables for fixed assets	<b>210</b>	237
Interest accrued and due on borrowings	<b>147</b>	1,426
Due to subsidiaries	<b>1,268</b>	1,127
Employee related liabilities	<b>339</b>	360
Interest bearing security deposits from customers	<b>62</b>	62
Security Deposit from Others	<b>226</b>	235
Advance for sale of Fixed Assets	<b>1,025</b>	-
Advance from customers	<b>1,641</b>	448
Investor education and protection fund will be credited by the following amounts (as and when due) (Refer note below)		
Unclaimed dividend	<b>2</b>	8
Other liabilities	<b>613</b>	222
	<b>7,684</b>	11,387
	<b>13,586</b>	17,407

Note : There is no amount due as at the end of the year which needs to be transferred to Investor Education and Protection Fund.

**9. Property, Plant and Equipment**

(Rs. in lacs)

	Land (Refer note (b) and (c) )	Buildings (Refer note (a), (b), (d) and (f) )	Plant and equipments (Refer note (e) )	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
<b>Cost or valuation</b>							
<b>As at 1 April 2014</b>	6,278	8,825	18,199	499	670	589	35,060
Additions	-	17	534	1	36	93	681
Disposals	-	-	52	-	2	48	102
<b>As at 31 March 2015</b>	<b>6,278</b>	<b>8,842</b>	<b>18,681</b>	<b>500</b>	<b>704</b>	<b>634</b>	<b>35,639</b>
Additions		20	858	6	23	0	907
Disposals	296	1,694	1,584	102	199	-	3,875
Assets held for Sale (Refer note 44)		1,548	80	-	-	-	1,628
<b>As at 31 March 2016</b>	<b>5,982</b>	<b>5,620</b>	<b>17,875</b>	<b>404</b>	<b>528</b>	<b>634</b>	<b>31,043</b>



	Land (Refer note (b) and (c))	Buildings (Refer note (a), (b), (d) and (f))	Plant and equipments (Refer note (e))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
<b>Depreciation</b>							
<b>As at 1 April 2014</b>	<b>57</b>	<b>2,510</b>	<b>9,332</b>	<b>291</b>	<b>571</b>	<b>433</b>	<b>13,194</b>
Charge for the year	12	334	1,050	35	15	29	1,475
Charged to Reserve & Surplus (Refer note f below)	-	39	209	27	37	4	316
Disposals	-	-	44	-	2	45	91
<b>As at 31 March 2015</b>	<b>69</b>	<b>2,883</b>	<b>10,547</b>	<b>353</b>	<b>621</b>	<b>421</b>	<b>14,894</b>
Charge for the year	10	254	904	27	18	28	1,241
Disposals	17	276	611	79	187	-	1,170
Assets held for Sale (Refer note 44)	-	281	48	-	-	-	329
<b>As at 31 March 2016</b>	<b>62</b>	<b>2,580</b>	<b>10,792</b>	<b>301</b>	<b>452</b>	<b>449</b>	<b>14,636</b>
<b>Net Block</b>							
As at 31 March 2015	6,209	5,959	8,134	147	83	213	20,745
<b>As at 31 March 2016</b>	<b>5,920</b>	<b>3,040</b>	<b>7,083</b>	<b>103</b>	<b>76</b>	<b>185</b>	<b>16,407</b>

(a) Building include investment representing ownership of office premises and residential flats in co-operative societies.

#### (b) Revaluations

In 2010-11, the company has revalued all its land and buildings as on 1 April 2009 at the fair values as at 1 April 2009 determined by an independent external valuer. The valuer determined the fair value by reference to market-based evidence. The valuations performed by the valuer were based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.

The historical cost of freehold land, leasehold land and building fair valued by the company was Rs. 130 lacs, Rs. 5 lacs and Rs. 1,857 lacs respectively and their fair value were Rs. 5,383 lacs, Rs. 586 lacs and Rs. 3,847 lacs respectively. The revaluation resulted in an increase in the value of freehold land, leasehold land and building by Rs. 5,253 lacs, Rs. 581 lacs and Rs. 1,990 lacs respectively.

(c) Land includes land held on leasehold basis:

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Gross block	587	883
Depreciation charge for the year	10	12
Accumulated depreciation	62	69
Net book value	525	814

(d) Buildings includes building given on operating lease

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Gross block	4,546	7,621
Depreciation charge for the year	311	499
Accumulated depreciation	1,524	2,080
Net book value	3,022	5,541

The Lease term is for a period of 20 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

(e) Plant and machinery includes Rs. 82 lacs (Previous year: Rs. 82 lacs) worth of equipments acquired under UNIDO grant scheme.

(f) During the year ended March 31 2015, the Company has revised the depreciation rates on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company. Based on current estimates, the carrying amount of Rs 316 lacs in respect of asset whose useful life has already exhausted as on April 1, 2014 has been adjusted to Retained Earnings.



## 10. Intangible assets

(Rs. in lacs)

	Computer software/ license	Product registrations (Refer note (a) and (b) )	Technical Know how (Refer note ( c ) )	Total
<b>Gross Block</b>				
<b>As at 1 April 2015</b>	132	2,271	168	2,571
Additions	1	15	95	111
Disposals	-	-	-	-
<b>As at 31 March 2015</b>	133	2,286	263	2,682
Additions	1	26	177	204
Disposals	-	-	168	168
<b>As at 31 March 2016</b>	<b>134</b>	<b>2,312</b>	<b>272</b>	<b>2,718</b>
<b>Amortization</b>				
<b>As at 1 April 2014</b>	103	961	19	1,083
Charge for the year	17	228	38	283
Disposals	-	-	-	-
<b>As at 31 March 2015</b>	120	1,189	57	1,366
Charge for the year	14	229	40	283
Disposals	-	-	70	70
<b>As at 31 March 2016</b>	<b>134</b>	<b>1,418</b>	<b>27</b>	<b>1,578</b>
<b>Net Block</b>				
As at 31 March 2015	13	1,097	206	1,316
<b>As at 31 March 2016</b>	-	<b>894</b>	<b>245</b>	<b>1,139</b>

a. Product registration includes testing charges, task force studies and other related expenses.

b. Remaining period of amortization of product registration expenses ranges from 25 to 85 months.

c. Technical Know how is amortised on a straight line basis over a period of 5 years. Remaining period of amortization of technical know how ranges from 29 to 59 months.

## 11. Non-current investments

Rs. in lacs

	31 March 2016	31 March 2015
<b>Trade investments (valued at cost unless otherwise stated)</b>		
<b>Unquoted equity instruments</b>		
Investment in subsidiaries		
10,823 (Previous year: 10,823) equity shares of Euro 615 each fully paid-up in SD Agchem (Europe) N.V.	<b>3,825</b>	3,825
Less: Provision for diminution in value of investments	<b>(3,501)</b>	(3,501)
	<b>324</b>	324
2,000 (Previous year: 2,000) equity shares of GBP 1 each fully paid-up in STS Chemicals (UK) Limited	<b>2</b>	2
<b>Investment in joint venture</b>		
22,470 (Previous year: 22,470) equity shares of Rs. 10/- each fully paid-up in Stellar Marine Paints Limited	<b>2</b>	2





	31 March 2016	31 March 2015
<b>Investment in others</b>		
84,375 (Previous year: 84,375) equity shares of Rs. 10/- each fully paid-up in Nimbua Green Field (Punjab) Limited	8	8
1,00,000 (Previous year: 1,00,000) equity shares of Rs. 10/- each fully paid-up in Mohali Green Field Limited	10	10
<b>(A)</b>	<b>346</b>	<b>346</b>
<b>Non trade investments (valued at cost unless otherwise stated)</b>		
<b>Quoted equity instruments</b>		
1,700 (Previous year: 1,700) equity shares of Rs. 10/- each fully paid-up in Dena Bank Limited	1	1
400 (Previous year: 400) equity shares of Rs. 10/- each fully paid-up in Syndicate Bank Limited	0.04	0.04
	<b>1</b>	<b>1</b>
<b>Unquoted equity instruments</b>		
12,500 (Previous year: 12,500) equity shares of Rs. 10/- each fully paid-up in Alpha Tools Private Limited	1	1
30 (Previous year: 30) equity shares of Rs. 50/- each fully paid-up in Alkapuri Arcade Co-op Society	0.02	0.02
Less: Provision for diminution in value of investments	(0.02)	(0.02)
	<b>1.00</b>	<b>1.00</b>
2,535 (Previous year: 2,535) equity shares of Rs. 10/- each fully paid-up in Pragati Sahkari Bank Limited	0.25	0.25
Less: Provision for diminution in value of investments	(0.25)	(0.25)
	-	-
1,050 (Previous year: 1,050) equity shares of Rs. 10/- each fully paid-up in Baroda Dist Industrial Co-op Bank Limited	0.11	0.11
Less: Provision for diminution in value of investments	(0.11)	(0.11)
	-	-
<b>Unquoted other non-current investments</b>		
3,875 (Previous year: 3,875) 6.75% Tax Free US-64 Bonds of Rs. 100/- each	4	4
Less: Provision for diminution in value of investments	(4)	(4)
	-	-
<b>(B)</b>	<b>2</b>	<b>2</b>
<b>(A+B)</b>	<b>348</b>	<b>348</b>
Aggregate amount of quoted investments (Market value Rs. 0.74 lacs (Previous year: Rs. 1.26 lacs))	1	1
Aggregate amount of unquoted investments	347	347
Aggregate provision for diminution in value of investments	3,505	3,505



**12. Loans and advances**

Rs. in lacs

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances (unsecured, considered good)	9	44	-	-
Security deposit (unsecured, considered good)	206	199	38	40
<b>(A)</b>	<b>215</b>	243	<b>38</b>	40
Loans and advances to related parties				
Unsecured considered good	-	-	1,004	930
Unsecured considered doubtful	14	320	1,760	1,533
	14	320	2,764	2,463
Provision for doubtful advances	14	320	1,760	1,533
<b>(B)</b>	-	-	<b>1,004</b>	930
Advances recoverable in cash or kind				
Unsecured considered good	2,030	2,033	410	818
Unsecured considered doubtful	-	-	24	24
	2,030	2,033	434	842
Provision for doubtful advances	-	-	24	24
<b>(C)</b>	<b>2,030</b>	2,033	<b>410</b>	818
<b>Other loans and advances (unsecured, considered good unless otherwise stated)</b>				
Advance tax (net)	863	750	-	-
MAT credit entitlement	113	-	-	-
Balance with excise and customs	-	-	297	369
VAT recoverable	-	-	322	351
<b>(D)</b>	<b>976</b>	750	<b>619</b>	720
<b>(A+B+ C+D)</b>	<b>3,221</b>	3,026	<b>2,071</b>	2,508

**Movement in provision for doubtful advances / deposits**

At the beginning of the year	1,877	2,243
Add: Provision made during the year	230	16
	2,107	2,259
Less: Advances written off against which provision was made/Reversal of provision	309	382
<b>At the end of the year</b>	<b>1,798</b>	1,877

**Long-term**

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
<b>Loans and advances to related parties include</b>		
Dues from Sintesis Quimica SAIC (maximum amount due Rs. 323 lacs (Previous year: Rs. 355 lacs))	14	320
	14	320



	Current	
	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
<b>Loans and advances to related parties include</b>		
Dues from SD Agchem (Europe) N.V. (maximum amount due Rs. 2725 lacs (Previous year: Rs. 2,980 lacs))	2,725	2,425
Dues from STS Chemicals (UK) Limited (maximum amount due Rs. 39 lacs (Previous year: Rs. 41 lacs))	39	38
	2,764	2,463

**13. Trade receivables**

Rs. in lacs

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment (refer note 48)</b>				
Unsecured, considered good	-	-	1,199	1,790
Doubtful	329	1,184	2,408	2,600
	329	1,184	3,607	4,390
<b>Other receivables</b>				
Secured, considered good	-	-	-	25
Unsecured, considered good	-	-	4,356	4,051
	-	-	4,356	4,076
Less: Provision for doubtful trade receivables	329	1,184	2,408	2,600
	-	-	5,555	5,866
<b>Trade receivables includes dues from related parties</b>				
Dues from SD Agchem (Europe) N.V.	-	-	3,037	3,368
Dues from Sintesis Quimica S.A.I.C	166	1,184	-	-
	166	1,184	3,037	3,368
<b>Movement in provision for doubtful debts</b>				
At the beginning of the year			3,783	3,752
Add: Provision made during the year			905	227
			4,688	3,979
Less: Bad debts written off against which provision was made/Reversal of provision			1,951	196
At the end of the year			2,737	3,783

**14. Other assets**

Rs. in lacs

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Non-current bank balances (refer note 17)	176	458	-	-
Interest receivable	-	-	36	50
Export benefit receivable	-	-	590	556
Insurance claim receivable	-	-	1	20
Assets held for Sale (refer note 44 a & b)	-	-	1,232	-
Job work charges receivable	-	-	60	101
Other Receivable	-	-	6	-
	176	458	1,925	727



**15. Current investments**

Rs. in lacs

	31 March 2016	31 March 2015
<b>Unquoted current investments</b>		
30,000 (Previous year: 30,000) units of Rs. 10/- each in Baroda Pioneer Hybrid Fund Series 1-Plan A Growth	3	3
	<b>3</b>	<b>3</b>

**16. Inventories (valued at lower of cost and net realizable value)**

Rs. in lacs

	31 March 2016	31 March 2015
Raw materials (includes in transit Rs. 3 lacs (Previous year: Rs. Nil lacs))	1,139	2,045
Work-in-progress	710	564
Finished goods (including trial run) (refer note 42)	2,319	2,678
Traded goods	-	-
Packing materials	73	64
Stores and spares (including fuel)	266	368
	<b>4,507</b>	<b>5,719</b>

**17. Cash and bank balances**

Rs. in lacs

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Cash and cash equivalents</b>				
Balance with banks:				
on current accounts	-	-	107	543
on fixed deposits with original maturity of less than three months	-	-	-	73
on unpaid dividend account	-	-	2	8
Cash on hand	-	-	6	4
	-	-	<b>115</b>	<b>628</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	1	1	2	2
Deposits with original maturity for less than 12 months	-	-	53	17
Margin money deposit*	175	457	17	-
	<b>176</b>	<b>458</b>	<b>72</b>	<b>19</b>
Amount disclosed under non-current assets (note 14)	(176)	(458)	-	-
	-	-	<b>187</b>	<b>647</b>

\*Includes Rs. 175 lacs (Previous year: Rs. 437 lacs) as margin for bank guarantees.

**18. Revenue from Operations**

Rs. in lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
<b>Sale of products</b>		
Finished goods	34,420	38,981
Traded goods	45	177
Sale of services	1,270	1,620
<b>Other operating revenue</b>		
Scrap sales	115	117



	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Export benefit	726	810
Technicals Support & Development Fees	-	35
Lease rentals	456	456
<b>Revenue from operations (gross)</b>	<b>37,032</b>	<b>42,196</b>
Less: Excise duty#	1,309	1,225
<b>Revenue from operations (net)</b>	<b>35,723</b>	<b>40,971</b>

# Excise duty on sales amounting to Rs. 1,309 lacs (Previous year: Rs. 1,225 lacs) has been reduced from sales in the statement of profit and loss and excise duty on increase / decrease in finished goods amounting to (Rs. 44 lacs) (Previous year: Rs. 61 lacs) has been considered as (income) / expenses in note 22 of the financial statements.

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Rs. in lacs		
<b>Details of products sold</b>		
<b>Finished goods sold</b>		
Agro chemicals and intermediates	20,904	26,446
Bulk drugs and intermediates	5,390	4,351
Phosphorous and its compounds	2,854	2,749
Other chemicals	5,272	5,435
	<b>34,420</b>	<b>38,981</b>
<b>Traded goods sold</b>		
Formulated goods	-	-
Other chemicals	45	177
	<b>45</b>	<b>177</b>
<b>Details of services rendered</b>		
Job work income	1,132	1,548
Micronisation and handling charges	138	72
	<b>1,270</b>	<b>1,620</b>

## 19. Other income

Rs. in lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
<b>Interest income on</b>		
Bank deposits	34	97
Others	176	241
Government grants	5	5
Exchange difference (net)	762	-
Provision for Doubtful Debt & Advance written back	-	529
Profit on sale of fixed assets (net)	124	37
Service charges	13	1
Sundry credit balances written back (net)	67	58
Rent income	70	64
Miscellaneous Income	1	25
	<b>1,252</b>	<b>1,057</b>



**20. Cost of raw materials consumed**

Rs. in lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Stock of raw material at the beginning of the year	2,045	2,270
Add: Purchases	19,236	23,415
	<b>21,281</b>	25,685
Less: Sale of raw materials	192	291
Less: Stock of raw material transferred on sale of unit	-	100
Less: Stock of raw material at end of the year	1,139	2,045
	<b>1,331</b>	2,436
<b>Cost of raw materials consumed</b>	<b>19,950</b>	23,249
<b>Details of raw materials consumed</b>		
Agro chemicals and its intermediates	12,319	15,629
Speciality chemicals for Bulk drugs and intermediates	2,771	2,506
Oxalic acid and oxalates	2,721	2,955
Other chemicals	2,139	2,159
	<b>19,950</b>	23,249

**21. Purchase of traded goods**

Rs. in lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Formulated goods	-	196
Other chemicals	49	140
	<b>49</b>	336

**22. (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods**

Rs. in lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
<b>Inventories at the end of the year</b>		
Work-in-progress	710	564
Finished goods	2,319	2,660
	<b>3,030</b>	3,224
<b>Inventories at the beginning of the year</b>		
Traded goods	-	30
Work-in-progress	564	818
Finished goods *	2,678	2,894
	<b>3,241</b>	3,742
(Increase)/Decrease in excise duty on closing stock of finished goods	(44)	61
Less: Stock transferred on sale of unit	-	254
	<b>168</b>	325

\* Note: Opening stock of finished goods as on 01.04.2015 includes Rs. 18 lacs as Trial Run Inventory which is sold during the year.



Rs. in lacs

<b>Details of inventories</b>	<b>1 April 2015 to 31 March 2016</b>	<b>1 April 2014 to 31 March 2015</b>
<b>Work-in-progress</b>		
Agro chemicals and intermediates	220	234
Bulk drugs and intermediates	425	294
Sulphur based compounds	33	-
Other chemicals	32	36
	<b>710</b>	<b>564</b>
<b>Finished goods</b>		
Bulk drugs and intermediates	833	1,166
Agro chemicals and intermediates	1,181	1,221
Other chemicals	305	273
	<b>2,319</b>	<b>2,660</b>

**23. Employee benefit expenses**

Rs. in lacs

	<b>1 April 2015 to 31 March 2016</b>	<b>1 April 2014 to 31 March 2015</b>
Salaries, wages and bonus	3,396	3,288
Contribution to provident and other funds	426	407
Gratuity and leave encashment expense (refer note 29)	195	314
Staff welfare expenses	386	375
	<b>4,403</b>	<b>4,384</b>

**24. Operating and other expenses**

Rs. in lacs

	<b>1 April 2015 to 31 March 2016</b>	<b>1 April 2014 to 31 March 2015</b>
Consumption of stores and spares	224	120
Power and fuel	3,301	3,748
Repairs and maintenance - plant and machinery	520	485
Repairs and maintenance - buildings	53	40
Repairs and maintenance - others	41	25
Sub-contracting charges	274	277
Rent	88	9
Rates and taxes	87	101
Insurance charges	64	63
Advances written off	44	49
Postage, telegrams and telephones	35	44
Traveling and conveyance	476	438
Commission on sales (other than sole selling agents)	57	28
Discount on sales	58	49
Provision for doubtful advances (net) (refer note 12)	230	16
Packing expenses	456	500



	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Freight and handling expenses	468	582
Job work expenses	20	30
Director's sitting fees	11	7
Charity and donations (other than political parties)	2	1
CSR expenditure (refer note B below)	13	-
Payment to auditors (refer note A below)	31	32
Fixed Assets Written Off	10	-
Provision for doubtful debts (net) (refer note 13)	905	227
Research and development expenses	61	62
Marketing and promotional expenses	46	26
Exchange difference (net)	-	596
Other expenses	1,014	678
	<b>8,589</b>	<b>8,233</b>
<b>A) Payment to auditor</b>		
As auditor:		
Audit fee	20	20
Limited review	9	9
In other capacity:		
Certification charges	1	1
Reimbursement of expenses	1	2
	<b>31</b>	<b>32</b>

**B) Details of CSR expenditure**

a) Gross amount required to be spent by the Company 12 -

	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
b) Amount spent during the year ending on 31st March 2016			
i) Construction / acquisition of any assets	7	2	8
ii) On purpose other than (i) above	1	3	4
	<b>8</b>	<b>5</b>	<b>13</b>

	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
b) Amount spent during the year ending on 31st March 2015			
i) Construction / acquisition of any assets	-	-	-
ii) On purpose other than (i) above	-	-	-
	-	-	-

**25. Depreciation and amortization expenses**

Rs. in lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Depreciation on tangible assets	1,261	1,475
Amortization of intangible assets	283	283
	<b>1,544</b>	<b>1,758</b>





## 26. Finance costs

Rs. in lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Interest on loans and deposits	1,397	2,225
Interest on cash credit accounts	519	790
Interest on others	229	128
Bank charges	2	27
	<b>2,147</b>	<b>3,170</b>

## 27. Exceptional items (Expense) / Income

Rs. in lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Write back of borrowings along with accrued interest on One Time Settlement (refer note 45a)	4,577	-
Property, Plant and Equipment discarded / scrapped (refer note 44b)	(1,131)	-
Voluntary Retirement compensation (refer note 46)	-	(217)
	<b>3,446</b>	<b>(217)</b>

## 28. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Rs. in lacs

	31 March 2016	31 March 2015
Profit after tax for the year for calculation of basic and diluted EPS	3,562	356
Weighted average number of equity shares in calculating basic and diluted EPS (in numbers)	1,22,62,185	1,22,62,185
<b>Earnings per share (basic and diluted) (in Rs.)</b>	<b>29.05</b>	<b>2.91</b>

## 29. Employee benefits

### A. Defined contribution plan - provident fund and superannuation fund

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Contribution to provident fund	241	254
Contribution to superannuation fund	174	137
	<b>415</b>	<b>391</b>

### B. Defined benefit plans - gratuity

The Company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is partly funded with an insurance company in the form of qualifying insurance policy.



**Statement of profit and loss**

Net employee benefit expense recognized in the employee cost	Rs. in lacs	
	31 March 2016	31 March 2015
Current service cost	63	62
Interest cost on benefit obligation	100	101
Expected return on plan assets	(14)	(25)
Net actuarial (gain)/loss recognized in the year	(31)	94
<b>Net benefit expenses</b>	<b>118</b>	<b>232</b>
Actual return on plan assets	(11)	23

**Balance sheet**

Benefit asset/liability	Rs. in lacs	
	31 March 2016	31 March 2015
Present value of defined benefit obligation	(1,327)	(1,247)
Fair value of plan assets	151	159
<b>Plan asset/(liability)</b>	<b>(1,176)</b>	<b>(1,088)</b>

**Changes in the present value of the defined benefit obligation are as follows:**

	Rs. in lacs	
	31 March 2016	31 March 2015
Opening defined benefit obligation	1,247	1,229
Transfer on sale of Agro Formulation unit	-	(27)
Current service cost	63	62
Interest cost	100	101
Benefits paid	(52)	(210)
Actuarial (gains)/losses on obligation	(31)	92
<b>Closing defined benefit obligation</b>	<b>1,327</b>	<b>1,247</b>

**Changes in the fair value of plan assets are as below:**

	Rs. in lacs	
	31 March 2016	31 March 2015
Opening fair value of plan assets	159	296
Transfer on sale of Agro Formulation unit	-	(17)
Expected return	14	25
Contributions by employer	60	57
Benefits paid	(82)	(200)
Actuarial gains/(losses)	0	(2)
<b>Closing fair value of plan assets</b>	<b>151</b>	<b>159</b>
Contribution for the next year	139	130

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 March 2016	31 March 2015
Investments with insurer	100%	100%
	100%	100%



The principal assumptions used in determining gratuity for the company's plans are shown below:

	31 March 2016	31 March 2015
Discount rate	8.00%	8.50%
Expected return on plan assets	8.35%	8.85%
Employee turnover	2.00%	2.00%
Expected rate of salary increase -Agro Chemical unit	5.00%	6.00%
Expected rate of salary increase -Other units	6.00%	6.00%
Mortality table	IALM (2006-08)	IALM (2006-08)
Proportion of employees opting for early retirement	1% to 3%	1% to 3%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four periods/years are as follows:

Rs. in lacs

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	30 Sept. 2012
Defined benefit obligation	1,327	1,247	1,229	1,091	1,045
Plan assets	151	159	296	346	372
Surplus/(deficit)	(1,176)	(1,088)	(933)	(745)	(673)
Experience adjustment on plan liabilities	28	(96)	(168)	(11)	4
Experience adjustment on plan assets	(0.49)	(2)	21	(17)	158

### 30. Interest in joint venture

The Company has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. The proportionate interest of the Company in the said entity as per the latest audited Balance Sheet as at 31 March 2016 is as under:

Rs. in lacs

	31 March 2016	31 March 2015
Current assets	1	1
Non-current assets	-	-
Current liabilities	54	53
<b>Equity</b>	<b>(53)</b>	<b>(52)</b>
Revenue	-	1
Operating and other expenses	1	1
<b>Profits before tax</b>	<b>(1)</b>	<b>(0.11)</b>
Income tax expenses	-	-
<b>Profit after tax</b>	<b>(1)</b>	<b>(0.11)</b>

### 31. Segment information

The Company is organized into two Business Segment namely:

- Chemicals - Comprising of Industrial, Agro Chemicals and their Intermediates, Speciality Chemicals etc.
- Bulk Drug - Comprising of Bulk Drug and Intermediates.



**Year ended 31 March 2016**

(Rs. in lacs)

	<b>Chemicals</b>	<b>Bulk drugs and intermediates</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue from operations</b>				
External	30,044	5,679	-	35,723
Inter-segment	-	195	(195)	-
<b>Total revenue from operations</b>	<b>30,044</b>	<b>5,874</b>	<b>(195)</b>	<b>35,723</b>
<b>Results</b>				
Segment results	2,625	(330)	-	2,295
Unallocated expenses net of (unallocable income)				23
<b>Operating profit</b>				<b>2,272</b>
Finance costs				2,147
Exceptional items (Expense) / Income				3,446
<b>Profit before tax</b>				<b>3,571</b>
Tax expenses				9
<b>Profit after tax</b>				<b>3,562</b>

**As at 31 March 2016**

Segment assets	25,265	8,206	-	33,471
Unallocated assets	-	-	-	2,446
<b>Total assets</b>	<b>25,265</b>	<b>8,206</b>	<b>-</b>	<b>35,917</b>
Segment liabilities	10,886	2,086	-	12,972
Unallocated liabilities	-	-	-	17,471
<b>Total liabilities</b>	<b>10,886</b>	<b>2,086</b>	<b>-</b>	<b>30,443</b>

**Other segment information**

Capital expenditure:

Tangible assets	282	297	-	579
Intangible assets	219	16	-	235
Depreciation	945	296	-	1,241
Amortization	283	-	-	283
Other non-cash expenses	1,172	17	-	1,189
Unallocable non-cash expenses	-	-	-	-

**Year ended 31 March 2015**

	<b>Chemicals</b>	<b>Bulk drugs and intermediates</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue</b>				
External sales	36,340	4,631	-	40,971
Inter-segment sales	1	8	(9)	-
<b>Total revenue</b>	<b>36,341</b>	<b>4,639</b>	<b>(9)</b>	<b>40,971</b>



	Chemicals	Bulk drugs and intermediates	Eliminations	Total
<b>Results</b>				
Segment results	4,381	(615)	-	3,766
Unallocated expenses net of (unallocable income)				23
<b>Operating profit</b>				<b>3,743</b>
Finance costs				3,170
Exceptional items (Expense) / Income				(217)
<b>Profit before tax</b>				<b>356</b>
Tax expenses				-
<b>Profit after tax</b>				<b>356</b>

<b>As at 31 March 2015</b>				
Segment assets	32,604	8,333	-	40,937
Unallocated assets				1,101
<b>Total assets</b>	<b>32,604</b>	<b>8,333</b>	<b>-</b>	<b>42,038</b>
Segment liabilities	9,813	1,846	-	11,659
Unallocated liabilities				28,462
<b>Total liabilities</b>	<b>9,813</b>	<b>1,846</b>	<b>-</b>	<b>40,121</b>

#### Other segment information

Capital expenditure:				
Tangible assets	618	570	-	1,188
Intangible assets	160	-	-	160
Depreciation	1,199	276	-	1,475
Amortization	283	-	-	283
Other non-cash expenses	92	200	-	292

#### Geographical segments

The Company produces and sells its products in India and also Export the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purpose of AS-17 regarding Segment Reporting, secondary segment information on geographical segment is considered on the basis of revenue generated from India and Outside India.

(Rs. in lacs)

<b>Year ended 31 March 2016</b>	<b>India</b>	<b>Outside India</b>	<b>Total</b>
<b>Revenue from operations</b>			
External customers	<b>12,683</b>	<b>23,040</b>	<b>35,723</b>
<b>Other segment information</b>			
Segment assets	<b>29,829</b>	<b>6,088</b>	<b>35,917</b>
Capital expenditure			
Tangible fixed assets	<b>579</b>	<b>-</b>	<b>579</b>
Intangible assets	<b>209</b>	<b>26</b>	<b>235</b>
<b>Year ended 31 March 2015</b>			
<b>Revenue from operations</b>			
External customers	11,838	29,133	40,971



Year ended 31 March 2015	India	Outside India	Total
<b>Other segment information</b>			
Segment assets	35,125	6,913	42,038
Capital expenditure			
Tangible fixed assets	1,188	-	1,188
Intangible assets	148	12	160

### 32. Related party transactions

#### Name of the related parties and related party relationships

##### Related parties where control exists

Subsidiaries	1	STS Chemicals (UK) Limited
	2	S D Agchem (Europe) NV
	3	Sintesis Quimica.S.A.I.C., Argentina

##### Other related parties with whom transactions have taken during the year

Joint venture company	1	Stellar Marine Paints Limited	
Key management personnel	1	Mr. Shalil Shroff	-Managing Director
	2	Mr. Avtar Singh	-Whole time Director
	3	Mr. S.S.Tiwari	-Whole time Director (upto April 5 2015)
	4	Capt. S S Chopra (Retd.)	-Director
	5	Mr. Vipul Joshi	-Chief Financial Officer
	6	Mr. Punit K Abrol	-Sr. V.P. (Finance) & Company Secretary
Relatives of key management personnel	1	Mrs. Shaila Shroff	
	2	Mrs. Bhupinder Kaur	
	3	Mrs. Ravinder Kaur	
	4	Mr. Jaskaran Singh	
	5	Mrs. Rajni Tiwari	
Enterprises over which key management personnel & their relatives	1	Hemsil Trading & Manufacturing Private Limited	
	2	L & L Products Shroff Private Limited	
	3	Salil Metachem	

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

#### a. Sale of goods

(Rs. in lacs)

	Year ended	Sale of goods	Amount owed by related parties*	Amount owed to related parties*
<b>Subsidiaries</b>				
SD Agchem (Europe) N.V.	31 March 2016	859	3,042	1,267
	31 March 2015	914	3,368	1,127
Sintesis Quimica SAIC	31 March 2016	-	167	-
	31 March 2015	-	1,184	-

\*The amounts are classified as trade receivable and trade payables, respectively.

**b. Loans given, advances made**

(Rs. in lacs)

	Year ended	Loans given/ Advances made during the year	Repayment received during the year	Amount owed by related parties#
<b>Subsidiaries</b>				
STS Chemicals (UK) Limited	<b>31 March 2016</b>	-	-	<b>39</b>
	31 March 2015	-	-	38
SD Agchem (Europe) N.V.	<b>31 March 2016</b>	-	-	<b>2,726</b>
	31 March 2015	-	-	2,425
Sintesis Quimica SAIC	<b>31 March 2016</b>	-	-	<b>14</b>
	31 March 2015	-	40	320

#The amounts are classified as advance receivable from related parties.

**c. Loans taken, deposits received, advances received and repayment thereof**

(Rs. in lacs)

	Year ended	Loans and Deposits taken/ Advance received during the year	Loans repayment/ Interest payment during the year	Interest accrued during the year	Amount owed to related parties
<b>Other related entities</b>					
Hem-sil Trading and Manufacturing Private Limited	<b>31 March 2016</b>	-	<b>73</b>	<b>73</b>	<b>344</b>
	31 March 2015	-	101	101	787
Salil Metachem	<b>31 March 2016</b>	-	-	-	-
	31 March 2015	-	52	5	-
<b>Key managerial personnel</b>					
Mr. Shalil Shroff	<b>31 March 2016</b>	-	-	-	<b>2</b>
	31 March 2015	2	-	-	2
Mr. Avtar Singh	<b>31 March 2016</b>	-	-	-	<b>2</b>
	31 March 2015	2	-	-	2
Mr. Punit K Abrol	<b>31 March 2016</b>	-	-	-	<b>2</b>
	31 March 2015	2	-	-	2

**d. Other transactions with related parties**

(Rs. in lacs)

	Year ended	Rent/service charges income / (expense) during the year	Amount receivable / (payable) on account of income / (expense)
<b>Other related parties</b>			
Shalil Shroff HUF	<b>31 March 2016</b>	-	-
	31 March 2015	(1)	-
L & L Products Shroff Private Limited	<b>31 March 2016</b>	<b>10</b>	-
	31 March 2015	10	-



(Rs. in lacs)

		Provision for doubtful debts made during the year	Provision for doubtful debts write back during the year	Provision for doubtful advances made/ advances write off during the year	Provision for doubtful advances write back during the year
<b>Subsidiaries</b>					
SD Agchem (Europe) N.V.	<b>31 March 2016</b>	<b>785</b>	-	<b>226</b>	-
	31 March 2015	-	150	-	337
Sintesis Quimica SAIC	<b>31 March 2016</b>	<b>8</b>	<b>1,077</b>	<b>3</b>	<b>309</b>
	31 March 2015	6	12	13	38
STS Chemicals (UK) Limited	<b>31 March 2016</b>	-	-	<b>1</b>	-
	31 March 2015	-	-	-	3

Rs. in lacs

<b>e. Remuneration and other benefits</b>	<b>31 March 2016</b>	31 March 2015
<b>Remuneration to Key Management personnel</b>		
Mr. Shalil Shroff	<b>62</b>	43
Mr. Avtar Singh	<b>54</b>	34
Mr. S. S. Tiwari	<b>0.41</b>	38
Mr. Vipul Joshi	<b>46</b>	45
Mr. Punit K Abrol	<b>32</b>	30
<b>Benefits to Relatives</b>		
Ms. Shaila Shroff	<b>4</b>	4
Ms. Ravinder Kaur	<b>8</b>	6
Mr. Jaskaran Singh	<b>4</b>	2
Ms. Bhupinder Kaur	<b>1</b>	1
Ms. Rajni Tiwari	<b>8</b>	-
<b>Sitting Fees</b>		
Capt. S S Chopra (Retd.)	<b>2</b>	1

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

### 33. Contingent liabilities

Rs. in lacs

	<b>31 March 2016</b>	31 March 2015
Claims against the company not acknowledged as debts		
Excise duty matters in dispute or under appeal	<b>589</b>	572
Income Tax matters in dispute or under appeal	<b>814</b>	830
Demand raised by Sales Tax Authorities	<b>11</b>	11
Labour laws matters in dispute or under appeal	<b>7</b>	13
Demand raised by previous land owners	<b>660</b>	574





	31 March 2016	31 March 2015
Corporate guarantee given on behalf of the subsidiary companies (revalued at closing exchange rates) [Includes Corporate Guarantee given to State Bank of India of Rs. 1,226 lacs (Previous year: Rs. 1,791 lacs) which is also secured by way of charge on the current assets of the Company and charge on the fixed assets of Agro and Pharmaceutical division.	1,226	1,791

The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

The Company shall indemnify the damages to the Managing Director/Directors in case their personal guarantees are invoked in respect of loans, backed by their personal guarantees.

### 34. Disclosure required under Sec 186(4) of the Companies Act, 2013

Included in loans and advances are certain advances to subsidiaries the particulars of which are disclosed below as required by section 186(4) of the Companies Act, 2013.

#### Investments

Details required u/s 186 have been disclosed in note 11 of the financial statements.

#### Guarantees given and utilised for business operations

Details required u/s 186 have been disclosed in note 33 of the financial statements.

### 35. Capital and other commitments

	31 March 2016	31 March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	31	64
Other commitments (Deposit for Performance Guarantee)	-	625
	<b>31</b>	<b>689</b>

### 36. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

	Currency	31 March 2016		31 March 2015	
		Indian rupees in lacs	Foreign currency in lacs	Indian rupees in lacs	Foreign currency in lacs
Trade receivable / advances to vendors	EUR	2,806	37.20	2,653	39.55
	USD	3,517	53.10	4,610	73.78
Trade payable / advances from customers	EUR	92	1.22	105	1.57
	USD	1,542	24.85	1,441	23.05
Advances to/receivable from subsidiaries	EUR	2,726	36.15	2,425	36.14
	USD	278	4.44	320	5.12
	GBP	39	0.41	38	0.41
Payable to subsidiaries	EUR	1,267	16.81	1,127	16.81
Investments (at historical cost)	EUR	3,825	66.56	3,825	66.56
	GBP	2	0.02	2	0.02



**37. Details of dues to micro, small & medium enterprises development as defined under the MSMED Act, 2006**

Based on the information available with company as at period end there are no dues outstanding to the suppliers who are registered as micro and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006"

**38. Value of imports calculated on CIF basis**

	<b>1 April 2015 to 31 March 2016 Rs. in lacs</b>	1 April 2014 to 31 March 2015 Rs. in lacs
Raw materials	<b>6,856</b>	6,452
Components and spare parts	<b>1</b>	3
Traded goods	<b>-</b>	115
	<b>6,857</b>	6,570

**39. Expenditure in foreign currency (on accrual basis)**

	<b>1 April 2015 to 31 March 2016 Rs. in lacs</b>	1 April 2014 to 31 March 2015 Rs. in lacs
Travelling expenses	<b>93</b>	111
Trade commission and discount	<b>3</b>	3
Bank charges	<b>0.48</b>	1
Product registration expenses (including task force studies, testing & other expenses)	31	27
Others	14	5
	<b>141</b>	147

**40. Imported and indigenous raw materials, components and spare parts consumed**

	<b>1 April 2015 to 31 March 2016</b>		1 April 2014 to 31 March 2015	
	<b>Value Rs. in lacs</b>	<b>% of total consumption</b>	Value Rs. in lacs	% of total consumption
<b>Raw materials</b>				
Imported	<b>6,894</b>	<b>35%</b>	6,550	28%
Indigenous	<b>13,056</b>	<b>65%</b>	16,699	72%
	<b>19,950</b>	<b>100%</b>	23,249	100%
<b>Components and spare parts</b>				
Imported	<b>1</b>	<b>0%</b>	3	3%
Indigenous	<b>224</b>	<b>100%</b>	117	97%
	<b>224</b>	<b>100%</b>	120	100%

**41. Earnings in foreign currency (on accrual basis)**

	<b>31 March 2016</b>	31 March 2015
Export of Goods (FOB basis)	<b>22,907</b>	28,807
Processing charges received	<b>-</b>	57
Technical support & development fees	<b>-</b>	28
Others	<b>2</b>	2
	<b>22,909</b>	28,894



#### 42. Amounts capitalized in the respective project costs and excluded from:

The company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Salaries, wages and bonus	43	124
Raw Material Consumption	-	41
Power and fuel	12	28
Finance costs	5	17
<b>Total</b>	<b>60</b>	<b>210</b>
Less: Trial run inventory (refer note 16)	-	18
<b>Total amount capitalised</b>	<b>60</b>	<b>192</b>

#### 43. Break-up of deferred tax assets and deferred tax liabilities

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,324	1,690
<b>(A)</b>	<b>1,324</b>	<b>1,690</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis		
Provision for Gratuity	382	370
Provision for Leave encashment	125	145
Others	64	16
Unabsorbed losses and depreciation*	753	1,159
<b>(B)</b>	<b>1,324</b>	<b>1,690</b>
<b>Net deferred tax asset/(liability)</b>	<b>(A) - (B)</b>	<b>-</b>

\*Deferred tax assets (DTA) are recognised on carry forward unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Accordingly, deferred tax assets has been recognised only to the extent of deferred tax liabilities.

#### 44. Asset held for sale

a. During the year, the company has decided to sell off its one of its office premises for Rs.1200 lacs having a net book value of Rs.1267 lacs. The Company has recognise the losses of Rs.67 lacs in the Statement of Profit and Loss and Rs.1200 lacs is transferred to Other Current Assets - Assets held for Sale from Fixed Assets

b. During the year the Company has carried out physical verification and technical evaluation for usability of tangible and intangible assets at Tarapur unit. On such evaluation the management has identified tangible and intangible assets aggregating to Rs. 1163 lacs of no use by the Company. Accordingly, the management has decided to discarded / scrapped the assets. The Company has recognised the losses of Rs.1,131 lacs in the Statement of Profit and Loss and Rs. 32 lacs is transferred to Other Current Assets - Assets held for ISale from Fixed Assets



#### 45. a. One Time Settlement (OTS) with State Bank of India

As per the terms of One Time Settlement (OTS) with State Bank of India (SBI), the Company has paid Rs. 4,550 lacs and Rs. 358 lacs from sale of 150,000 shares of the Company, pledged exclusively with SBI by one of the promoters against total outstanding dues of Rs. 9,485 lacs (including interest). The balance amount Rs. 4,577 lacs has been written back during the year.

#### b. Corporate Debt Restructuring

In the earlier periods, the Company had obtained an approval for Debt Restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group ('CDR EG'). As per the CDR Scheme, the Company was liable to pay working capital demand loan amounting to Rs. 5,000 lacs till September 2012, out of which the Company has repaid Rs. 4,823 lacs (Previous year: Rs. 3,508 lacs) as of March 31, 2016 and further there are other borrowings outstanding as of the balance sheet date for which the Company is in the process of selling non-core assets for repayment of the aforesaid dues.

#### 46. Voluntary Retirement Scheme

During the previous year, the Company had announced voluntary retirement scheme for employees of one of its unit which have been accepted by some of the employees of that unit.

#### 47. Approval from Reserve Bank of India (RBI) for conversion of Debtors into Investment

In respect of overdue export receivables from its wholly owned subsidiary, the company has received approval on March 31, 2016 from Reserve Bank of India (RBI) under Regulation 11 of Notification No. FEMA 120/ RB -2004 towards utilisation of said overdue export receivables into further investments. The company is in the process of obtaining necessary regulatory and other approvals. Pending such approvals, no accounting adjustments have been made in the books of accounts effecting such conversion.

#### 48. Previous year's figures

The company has reclassified previous year's figures to confirm to current year's classification.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per **Ravi Bansal**

Partner  
Membership no.: 49365

Place: Mumbai  
Date: May 30, 2016

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

**Mukesh D Patel**  
Chairman  
DIN No:00009605

**Shalil Shroff**  
Managing Director  
DIN No:00015621

**Avtar Singh**  
Director (Operations & Business Development)  
DIN No:00063569

**Punit K. Abrol**  
Sr.V.P.(Finance) &  
Company Secretary

**Vipul Joshi**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2016



## INDEPENDENT AUDITOR'S REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entity in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

The auditor of Sintesis Quimica S.A.I.C, a subsidiary of the Company, without qualifying their audit report on the financial statements have included an emphasis of matter in their report indicating that there is significant doubt about the subsidiary's ability to continue its operations and business viability – see Note 39.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;



- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act for jointly controlled entity incorporated in India, none of the directors of the Holding Company, and jointly controlled entity incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and jointly controlled entity incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – Refer Note 33 to the consolidated financial statements;
  - The Group and its jointly controlled entity did not have any material foreseeable losses on long term contracts including derivative contracts; and
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to Investor Education and Protection Fund by the jointly controlled entity incorporated in India.

#### Other Matter

The accompanying consolidated financial statements include total assets of Rs. 11,386 lacs as at March 31, 2016, and total revenues of Rs. 18,937 lacs for the year ended on that date, in respect of three subsidiaries and one jointly controlled entity (collectively, the "Component's"), derived from financial statements of those Components, which have been audited by other auditors. Such audited financial statements, other financial information and auditor's reports have been furnished to us by the holding Company's management. All of three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors who have submitted their audit reports, prepared under generally accepted auditing standards applicable in their respective countries, to the shareholders/Board of Directors of these entities. The management of the Holding Company has converted these audited financial statements and other financial information of the subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We audited the adjustments, which were applied to prepare the consolidated financial statements, made by the Company's management to convert the financial statements of these subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion on the consolidated financial statements, report in terms of sub-sections (3) and (11) of Section 143 of the Act and matters stated under section "Other Legal and Regulatory Requirements" above, in so far as it related to aforesaid Components, is based solely on report of such other auditors. Our opinion is not modified in respect of this matter

For **S R B C & C O L L P**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: May 30, 2016



## **Annexure 1 referred to in paragraph 1 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of Punjab Chemicals and Crop Protection Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as the “Holding Company”) and jointly controlled entity, which is a company incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and jointly controlled entity, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and jointly controlled entity, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to one jointly controlled entity, which is a company incorporated in India, is based on the corresponding reports of the auditors of such jointly controlled entity incorporated in India.

#### **For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: May 30, 2016



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

Particulars	Notes	31 March 2016	Rs. In lacs 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,226	1,226
Reserves and surplus	4	4,898	(4,690)
		<b>6,124</b>	<b>(3,464)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	10,633	14,768
Trade payables (Total outstanding dues of creditors other than micro enterprises and small enterprises)	8a	2,709	3,095
Other liabilities	8b	2,147	-
Long-term provisions	6	1,056	985
		<b>16,545</b>	<b>18,848</b>
<b>Current liabilities</b>			
Short-term borrowings	7	4,998	9,892
Trade payables (Total outstanding dues of creditors other than micro enterprises and small enterprises)	8a	5,590	6,192
Other liabilities	8b	10,833	15,693
Short-term provisions	6	1,654	1,055
		<b>23,075</b>	<b>32,832</b>
<b>Total</b>		<b>45,744</b>	<b>48,216</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant & Equipment	9	22,330	21,862
Intangible assets	10	1,139	1,323
Capital work-in-progress		232	571
Intangible assets under development		146	115
Non-current investments	11	20	22
Loans and advances	12	3,426	3,302
Other non-current assets	17	176	459
		<b>27,469</b>	<b>27,654</b>
<b>Current assets</b>			
Current investments	13	3	3
Inventories	14	5,743	7,524
Trade receivables	15	7,609	7,372
Cash and bank balances	16	608	1,385
Loans and advances	12	2,087	3,551
Other current assets	17	2,225	727
		<b>18,275</b>	<b>20,562</b>
<b>Total</b>		<b>45,744</b>	<b>48,216</b>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the board of directors of  
**Punjab Chemicals and Crop Protection Limited**

For **SRBC & CO LLP**

ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

**Mukesh D Patel**  
Chairman  
DIN No: 00009605

**Shalil Shroff**  
Managing Director  
DIN No: 00015621

**Avtar Singh**  
Director (Operations & Business Development)  
DIN No: 00063569

per **Ravi Bansal**  
Partner  
Membership no.: 49365

**Punit K. Abrol**  
Sr.V.P. (Finance) &  
Company Secretary

**Vipul Joshi**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2016

Place: Mumbai  
Date: May 30, 2016





## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

Rs. In lacs

	Notes	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
<b>Income</b>			
Revenue from operations (gross)	18	55,111	57,715
Less: Excise duty		1,309	1,225
<b>Revenue from operations (net)</b>		<b>53,802</b>	56,490
Other income	19	1,602	2,314
<b>Total revenue</b>		<b>55,404</b>	58,804
<b>Expenses</b>			
Cost of raw materials consumed	20	26,853	28,874
Purchases of traded goods	21	61	336
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	(127)	(159)
Employee benefit expenses	23	11,955	11,345
Other expenses	24	10,991	11,355
<b>Total expenses</b>		<b>49,733</b>	51,751
<b>Earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA)</b>		<b>5,671</b>	7,053
Depreciation and amortization expenses	25	1,675	1,917
Finance costs	26	4,966	3,472
<b>Profit /(Loss) before tax and exceptional items</b>		<b>(970)</b>	1,664
Exceptional (Expenses) / Incomes	27	2,352	(217)
<b>Profit before tax</b>		<b>1,382</b>	1,447
Tax expenses			
Pertaining to profit for the current period		167	63
MAT credit entitlement		(113)	-
<b>Total tax expenses</b>		<b>54</b>	63
Share of profits in associate for current year		-	36
<b>Profit for the year</b>		<b>1,328</b>	1,420
<b>Earnings per equity share [nominal value of share Rs. 10 each (31 March 2015: Rs. 10 each)]</b>			
Basic and diluted (in Rs.)	28	10.83	11.58
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

**Mukesh D Patel**  
Chairman  
DIN No:00009605

**Shalil Shroff**  
Managing Director  
DIN No:00015621

**Avtar Singh**  
Director (Operations & Business Development)  
DIN No:00063569

per **Ravi Bansal**  
Partner  
Membership no.: 49365

**Punit K. Abrol**  
Sr.V.P. (Finance) &  
Company Secretary

**Vipul Joshi**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2016

Place: Mumbai  
Date: May 30, 2016



## CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	1 April 2015 to 31 March 2016	Rs. In lacs 1 April 2014 to 31 March 2015
<b>Cash flow from operating activities</b>		
Profit before tax	1,382	1,447
<b>Adjustments for :</b>		
Liabilities written back on one time settlement of borrowings	(5,076)	-
Depreciation and Amortisation	1,675	1,917
Interest income	(210)	(338)
Income in respect of government grants	(5)	(4)
Finance costs	4,966	3,472
Profit on sale of fixed assets (net)	(124)	(37)
Profit on sale of long-term investments	-	(1,013)
Property, plant & equipment discarded /scrapped	1,131	-
Exchange rate difference of re-organisation proceedings	1,593	-
Advances written off	39	68
Provision for doubtful advances (net)	1	16
Provision for doubtful debts (net)	112	227
<b>Operating Profit before working capital changes</b>	<b>5,484</b>	<b>5,755</b>
<b>Movement in Working Capital</b>		
Decrease/(Increase) in trade receivables	(349)	(457)
Decrease/(Increase) in inventories	1,781	153
Decrease/(Increase) in other current assets and non-current assets	(2)	16
Decrease/(Increase) in long-term and short-term loans and advances	1,455	(2,109)
Increase/(Decrease) in trade payables and other current liabilities	1,539	2,371
Increase/(Decrease) in long-term and short-term provisions	670	256
<b>Cash generated from operations</b>	<b>10,578</b>	<b>5,985</b>
Direct taxes paid	(113)	(242)
<b>Net cash generated from operating activities</b>	<b>(A) 10,465</b>	<b>5,743</b>
<b>Cash Flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(893)	(1,573)
Proceeds from sale of fixed assets	1,786	1,236
Proceeds from sale of investments	-	1,090
Investment in Shares and Mutual funds	-	(13)
Investment in Fixed deposits (with maturity more than three months)	(53)	(38)
Interest received	224	310
<b>Net cash generated/(used) from/in investing activities</b>	<b>(B) 1,064</b>	<b>1,012</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings	(8,527)	(4,446)
Interest Paid	(5,605)	(2,723)
<b>Net cash generated/(used) from/in financing activities</b>	<b>(C) (14,132)</b>	<b>(7,169)</b>
<b>Effect of exchange gain/(loss) on cash and cash equivalents</b>	<b>(D) 1,773</b>	<b>(1,017)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C+D) (830)</b>	<b>(1,431)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,366</b>	<b>2,797</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>536</b>	<b>1,366</b>



## CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

Rs. In lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
<b>Components of cash &amp; cash equivalents</b>		
Cash on hand	8	25
Cheques on hand	-	173
With banks		
a) on current account	526	1,087
b) on deposit account with original maturity of less than three months	-	73
c) on unpaid dividend account*	2	8
<b>Total cash &amp; cash equivalents (note 16)</b>	<b>536</b>	<b>1,366</b>
*These balances are not available for use by the company as they represent corresponding unpaid dividend and fractional shares liabilities.		
Summary of significant accounting policies	2.1	

**Notes:**

- Comparative figures have been regrouped wherever necessary.
- The Cash Flow statement has been prepared under indirect method as set out in the Accounting Standard - 3 on "Cash Flow Statements" as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date

For **S R B C & CO LLP**ICAI Firm registration number: 324982E/E300003  
Chartered Accountantsper **Ravi Bansal**Partner  
Membership no.: 49365Place: Mumbai  
Date: May 30, 2016For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited****Mukesh D Patel**  
Chairman  
DIN No: 00009605**Shalil Shroff**  
Managing Director  
DIN No: 00015621**Avtar Singh**  
Director (Operations & Business Development)  
DIN No: 00063569**Punit K. Abrol**  
Sr. V.P. (Finance) &  
Company Secretary**Vipul Joshi**  
Chief Financial OfficerPlace: Mumbai  
Date: May 30, 2016



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

## 1. Corporate Information

Punjab Chemicals and Crop Protection Limited (hereinafter referred to as “the Company”) is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates. The Company has presence in both the domestic and international markets.

All the subsidiaries and other companies of the Group are engaged in the business of agro chemicals and other chemicals and therefore the aforesaid statement of nature of business operations hold good for the group also.

## 2. Basis of preparation

- (a) The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of land and building for which revaluation is carried out. The accounting policies adopted in preparation of consolidated financial statements are consistent with those of previous year, except for the change in accounting policy explained below.
- (b) As at March 31, 2016 the current liabilities have exceeded current assets by Rs. 4,800 lacs. Based on the strategic long term supply contracts with its customers with minimum commitment of supply of products and the future business plans the management is confident that the Company will be able to generate profits in future years and meet its financial obligation as they arise accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis.

### 2.1 Summary of significant accounting policies

#### 2.1.1 Change in accounting policy

The Company has adopted component accounting as required under Schedule II to the Companies Act 2013 from 1st April 2015. The Company was previously not identifying the components of Property, Plant and Equipment separately for depreciation purpose, rather a singly useful life was used to depreciate each item of Property, Plant and Equipment.

Due to application of Schedule II to the Companies Act, 2013 and AS10 (R), the company has changed the manner of depreciation for its plant, property and equipment. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

#### 2.1.2 Principles of Consolidation

- (a) The Consolidated Financial Statements comprise financial statements of Punjab Chemicals and Crop Protection Limited (‘the Holding Company’), its subsidiaries (hereinafter referred to as “the Group”) and joint venture company referred in Note (c) below. Subsidiaries are those companies in which Punjab Chemicals and Crop Protection Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the composition of the Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.
- (b) The consolidated financial statements of the group have been prepared in accordance with the Accounting Standard 21 “Consolidated Financial Statements”, Accounting Standard 23, “Accounting for Investments in Associates in Consolidated Financial Statements” and Accounting Standard 27, “Financial Reporting of interest in Joint Ventures” notified by the Companies (Accounts) Rules, 2014.
- (c) The list of subsidiaries and joint venture company considered for consolidation together with the proportion of share holding by Group is as follows:



Sr. No.	Name of the Company	Relationship	Country of Incorporation	% of Group Holding as at 31 March 2016	% of Group Holding as at 31 March 2015
1	STS Chemicals (UK) Limited	Subsidiary	United Kingdom	100%	100%
2	SD Agchem (Europe) NV	Subsidiary	Belgium	100%	100%
3	Sintesis Quimica S.A.I.C	Subsidiary	Argentina	100%	100%
4	Stellar Marine Paints Limited (refer note (d) below)	Joint Venture	India	45%	45%

- (i) The ownership interest as given above has been calculated based on the effective interest of Punjab Chemicals & Crop Protection Limited in the various subsidiaries including the investments made by its subsidiaries.
- (ii) STS Chemicals (UK) Limited and S D Agchem (Europe) N.V are wholly owned subsidiaries of Punjab Chemicals & Crop Protection Limited as at March 31, 2016.
- (iii) Sintesis Quimica S.A.I.C: 98% is held by S D Agchem (Europe) N.V. and 2% by STS Chemicals (UK) Limited as at March 31, 2016.
- (d) The Group has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. The proportionate interest as required by Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures" in the said entity as per the latest audited Balance Sheet as at March 31, 2016 has been considered for preparation of the aforesaid consolidated financial statements.
- (e) The Consolidated Financial Statements have been prepared on the following basis:
- (i) The activities of the foreign subsidiaries are not an integral part of those of the Holding Company and hence, these have been considered to be Non-Integral foreign operations in terms of Accounting Standard 11 – "The Effects of Changes in Foreign Exchange Rates". Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at March 31, 2016; income and expenses have been translated at average rate of exchange and Exchange Difference arising on translation of financial statements as above is recognized in the Foreign Currency Translation Reserve.
- (ii) All inter company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.
- (iii) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- (iv) The financial statements of each of the subsidiary and joint venture are drawn upto same reporting date i.e year ended March 31, 2016 and have been used for the purpose of consolidation.

### 2.1.3 Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

### 2.1.4 Plant, Property and Equipment

Plant, property and equipment, capital work in progress are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and amortization, if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of plant, property and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Items of fixed assets that are held for disposal are stated at the lower of their book value and net realisable value and are shown separately in the financial statement under Other Current Assets. Any expected loss is recognised immediately in the statement of profit and loss.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Research and Development Costs**

Research costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.

Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate the following :

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete the asset,
- Its ability to use or sell the asset,
- How the asset will generate future economic profits,
- The availability of adequate resources to complete the development and to use or sell the asset,
- The ability to measure reliably the expenditure attributable to the intangible asset during the development.”

A summary of amortization policies applied to the company's intangible assets is below:

	Useful lives estimated by management (in years)
Computer Software / Licence	3
Product Registration (including task charges, task force studies and other related expenses)	10
Technical Know How	5

**2.1.5 Depreciation and Amortisation****Punjab Chemicals and Crop Protection Limited**

- (i) Depreciation on property, plant and equipment is calculated on a straight line method for buildings, plant & equipments and electrical installations in accordance with section 123 of the Companies Act, 2013 except in respect of the following assets based on technical estimates as per life specified below.

	Useful lives estimated by management (in years)
Factory building	28
Office building	58
Reactors, Pumps & Tanks and Piping in plants	5 to 20
Electrical Motors & Works	12 to 20
Generators and Ejectors	10 to 15

In respect of all other Fixed Assets, on written down value basis in accordance with section 123 of the Companies Act, 2013 at the life specified in Schedule II to the Companies Act, 2013.



<b>Sintesis Quimica S.A.I.C.</b>	<b>Method</b>	<b>Depreciation rates</b>
Buildings	S.L.M.	2%
Furniture & Fixtures	S.L.M.	10% - 33%
Plant & Equipments	S.L.M.	10%
Vehicles	S.L.M.	20%
<b>STS Chemicals (UK) Limited</b>		
Furniture & Fixtures	W.D.V.	25%

- ii) The premium on leasehold land is amortized on a straight line basis over the period of lease.
- iii) Cost of Computer Software/License is amortized on straight line basis over a period of three years.
- iv) Product Registration (including testing charges, task force studies and other related expenses) for new market development considered as intangible assets and are amortized from and over the period of registration with a maximum period of 10 years on a straight line basis.
- v) Technical Know how is amortised on a straight line basis over a period of 5 years.
- vi) For the revalued assets, the additional depreciation relating to the revaluation is charged to statement of profit and loss account.

### 2.1.6 Impairment of Tangible and Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 2.1.7 Goodwill

Goodwill represents the excess of consideration paid towards acquisition of subsidiaries over the net assets acquired, arising on consolidation of such subsidiaries into the company. At each balance sheet date Goodwill is tested for impairment.

### 2.1.8 Leases

#### Company is Lessee

##### Finance Lease

- i) Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance cost in statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.
- ii) If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset, the lease term and Schedule II as per the Companies Act, 2013.

##### Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### Company is Lessor

##### Operating Lease

Assets subject to operating leases are included in fixed assets. Lease income is treated as revenue and the same is credited to statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss account. Initial direct costs such as legal costs, brokerage etc are recognized immediately in statement of profit and loss.



### 2.1.9 Investments

"Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long-term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 2.1.10 Inventories

#### (a) Punjab Chemicals and Crop Protection Limited, Stellar Marine Paints Limited, S D Agchem (Europe) N.V.

- i) Raw Materials, Stores and Spares and Packing Materials are valued at lower of cost or net realizable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- ii) Traded Goods are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.
- iii) Finished goods and Work-in-Progress are valued at lower of cost or net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- iv) By Products are valued at net realizable value.
- v) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### (b) Sintesis Quimica S.A.I.C.

Inventories are valued at replacement value. The values attained in this way do not exceed their respective net realisable value. The impact of difference between replacement value and cost of material is not material.

### 2.1.11 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### (a) Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross turnover includes excise duty but does not include sales tax / value added tax. Excise duty deducted from revenue from operations (gross) is the amount that is included in revenue from operations (gross) and not the entire amount of liability arising during the year.

#### (b) Income from Services

Income from services rendered is recognized based on the terms of the agreements as and when services are rendered and are net of service tax (wherever applicable).

#### (c) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### (d) Dividends

Dividend income is recognized when the Companies right to receive dividend is established by the balance sheet date.

#### (e) Export Benefits

Raw Material imported duty free under Advance License are accounted for inclusive of Custom Duty. Benefits are accrued under the Duty Free Import Authorization (DFIA) Scheme and Merchandise Export from India Scheme (MEIS) on sale of export made during the year has been classified under the head "Export Benefits" in "Other operating revenue".





### 2.1.12 Government and Other Grants

- i) Grants and subsidies from the government/other are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.
- ii) Grants related to Depreciable assets are treated as Deferred Income which is recognized in the statement of profit and loss account on a rational basis over the useful life of the Assets.
- iii) Government grants of the nature of promoters' contribution are credited to capital subsidy and treated as a part of shareholders' funds

### 2.1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 2.1.14 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### 2.1.15 Retirement and Other Employee Benefits:

#### (a) Punjab Chemicals and Crop Protection Limited

##### i) Long Term Employee Benefits

###### Defined Contribution Plans

The Company has defined contribution plans for post employment benefits in the form of Superannuation Fund (for selected employees) which is recognized by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further the Company also has a defined contribution plan in the form of a Provident Fund scheme for its all employees, which are administered by the Provident Fund Commissioner.

All the above mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss account as incurred.

###### Defined Benefit Plans

The Company has defined benefit plan for post retirement benefit in the form of Gratuity which is administered through trustees and/or LIC (in some units) for all its employees which is recognized by the Income-tax authorities. Liability for Defined Benefit Plans is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

##### ii) Other Long Term Employee Benefit

The Company has for all employees other long-term benefits in the form of Leave Encashment as per the policy of the Company. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by as actuary. The Company presents the entire compensated absences as short term provisions, since employee's have an unconditional right to avail the leave at any time during the year.

##### **Actuarial gains /(losses)**

Actuarial gains and losses (for defined benefit and other long term benefit) comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss as income or expense.

##### **Voluntary retirement scheme**

Voluntary retirement scheme expenses are fully charged to statement of profit & loss in the year in which they accrue.

**(b) All other subsidiaries**

The companies contribute to a defined contribution plan which are charged to statement of profit and loss as incurred.

**2.1.16 Foreign Currency Transactions****i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii) Conversion at the balance sheet date**

Foreign currency monetary items are reported using the closing rate prevailing as on date of balance sheet. Non-monetary items are recorded at the exchange rate prevailing on the date of transaction.

**iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

**iv) Translation of integral and non-integral foreign operations**

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations." The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or average of the opening and closing rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

**2.1.17 Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**2.1.18 Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement.



The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### **2.1.19 Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **2.1.20 Segment Reporting Policies**

#### **Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

#### **Inter segment Transfers**

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

#### **Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### **Unallocated items**

Includes general corporate income and expense items which are not allocated to any business segment.

#### **Segment Policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

### **2.1.21 Measurement of EBITDA**

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs, tax expense and exceptional items.

### **2.1.22 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



### 3. Share capital

	31 March 2016 Rs. In lacs	31 March 2015 Rs. In lacs
<b>Authorized shares</b>		
19,800,000 (31 March 2015: 19,800,000) equity shares of Rs. 10/- each	1,980	1,980
20,000 (31 March 2015: 20,000) 9.8% redeemable cumulative preference shares of Rs. 100/- each	20	20
	<b>2,000</b>	<b>2,000</b>
<b>Issued shares</b>		
12,277,218 (31 March 2015: 12,277,218) equity shares of Rs. 10/- each	1,228	1,228
<b>Subscribed and fully paid-up shares</b>		
12,262,185 (31 March 2015: 12,262,185) equity shares of Rs. 10/- each	1,226	1,226
<b>Total</b>	<b>1,226</b>	<b>1,226</b>

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2016		31 March 2015	
	Numbers	Rs. in lacs	Numbers	Rs. in lacs
At the beginning and at the end of the year	1,22,62,185	1,226	1,22,62,185	1,226

#### b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

#### c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	31 March 2016 In numbers	31 March 2015 In numbers
Equity shares allotted as fully paid-up pursuant to a scheme of amalgamation for consideration other than cash in 2011-12	69,293	69,293
	<b>69,293</b>	<b>69,293</b>

#### d. Details of shareholders holding more than 5% shares in the company

Name of the shareholders	31 March 2016		31 March 2015	
	Numbers	Percentage	Numbers	Percentage
<i>Equity shares of Rs. 10 each fully paid-up</i>				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### 4. Reserves and surplus

	31 March 2016	31 March 2015
Capital reserve	745	1,131
Capital redemption reserve	28	28
Capital reduction reserve	21	21
Securities premium reserve	5,707	5,707



	31 March 2016	31 March 2015
Revaluation reserve	5,358	-
Capital subsidy from state government	35	35
Amalgamation reserve	19	19
<b>Government grant</b>		
Balance as per last financial statements	18	21
Less: Grant recognized in the statement of profit and loss	3	3
	15	18
<b>Development aid grant UNIDO</b>		
Balance as per last financial statements	22	24
Less: Grant recognized in the statement of profit and loss	2	2
	20	22
<b>Foreign currency translation reserve</b>		
Balance as per last financial statements	(2,176)	(184)
Add/(Less): Exchange difference in respect of non-integral foreign operations	3,341	(1,992)
	1,165	(2,176)
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(9,495)	(10,599)
Add: Opening Reserve of STS Chemicals consolidated from current year onwards	(48)	-
Less: Adjustment to written down value of assets fully depreciated pursuant to Schedule II of Companies Act, 2013 (Refer note 9 (f))	-	(316)
Add: Profit for the year	1,328	1,420
<b>Net deficit in the statement of profit and loss</b>	(8,215)	(9,495)
<b>Total</b>	4,898	(4,690)

## 5. Long-term borrowings

Rs. in lacs

	Non current		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Term loans</b>				
<b>From banks</b>				
Term loan (secured) (refer note a to h below and note 40c)	9,842	13,537	3,329	5,936
Term loan (unsecured) (refer note 39)	779	1,217	-	-
Housing finance scheme (secured) (refer note j below)	-	-	-	1
<b>From others</b>				
Housing finance scheme (secured) (refer note k below)	12	14	2	3
<b>Other loans and advances</b>				
Working Capital Demand Loans from Banks (secured) (refer note a and i below and note 40c)	-	-	177	1,492
<b>Total</b>	10,633	14,768	3,508	7,432
<b>The above amount includes</b>				
Secured borrowings	9,854	13,551	3,508	7,432
Unsecured borrowings	779	1,217	-	-
Amount disclosed under the head "Other current liabilities" (note 8b)	-	-	(3,508)	(7,432)
	10,633	14,768	-	-

- a. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the term loan amounting to Rs. 13,171 lacs (Previous year Rs. 17,242 lacs) and working capital demand loan amounting to Rs. 177 lacs (Previous year Rs. 1,492 lacs) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.



- b. Term Loans amounting to Rs. 6,516 lacs (Previous year: Rs. 7,565 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 269 lacs (Previous year: Rs. 194 lacs) is overdue for a period of 1 day (Previous year 1 to 821 days) as on the reporting date.
- c. Working Capital Term Loans amounting to Rs. 2,546 lacs (Previous year: Rs. 5,254 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 14 lacs (Previous year: Rs. 370 lacs) is overdue for a period of 1 day (Previous year 1 to 821 days) as on the reporting date.
- d. Funded Interest Term Loan amounting to Rs. 2,752 lacs (Previous year: Rs. 4,423 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 54 lacs (Previous year: 169 lacs) is overdue for a period of 1 day (Previous year 1 to 548 days) as on the reporting date.
- e. State Bank of India, Antwerp vide letter no. CRE/2016-17/072 dated April 21, 2016, has approved the compromise settlement of the existing borrowings in SD Agchem(Europe) NV. As per the compromise settlement, the subsidiary company has to pay Rs. 1,226 lacs upto December 8, 2016, against total outstanding dues of Rs. 1,801 lacs.
- f. The Holding company has given Corporate guarantees for loans taken by subsidiaries.
- g. Term Loan taken from Banco Nacion de la Argentina (Argentina National Bank) amounting to Rs. 131 lacs (Previous year: Rs. 151 lacs) is secured by mortgage of the company's real estate property located in Dr. Bernard Houssay 2502 in the city of Florencio Varela in the province of Buneous Aires. The loan carries interest rate of 25% per annum and repayable in 12 installments.
- h. Term Loan taken from Banco Santander Rio amounting to Rs. Nil (Previous year: Rs. 240 lacs) is secured by mortgage of the company's real estate property located in Arroyo Secco Sud, jurisdiction of Fighiera in the province of Santa Fe, corresponding to lot number FOUR B. The loan carries interest rate of in the range of 19.95%.
- i. Working Capital Demand Loans amounting to Rs. 177 lacs (Previous year: Rs. 1,492 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 177 lacs (Previous year: Rs. 1,492 lacs) is overdue for 1279 days (Previous year 913 days) as on the reporting date. (Refer note 40c for further details)
- j. Housing Loan form ICICI Bank Ltd amounting to Rs. Nil (Previous year: Rs. 1 lac) is secured by a first charge by way of mortgage of residential flat situated at Mumbai and is carrying interest rate ranging from 12% - 16% p.a. (Previou year 12%-16% p.a.).
- k. Loan from Housing Development Finance Corporation Limited for Rs. 14 lacs (Previous year: Rs. 17 lacs) is secured by equitable mortgage by way of the deposit of the title deeds of the properties of respective employees who have availed the loan under said Schemes and is carrying interest rate of 12% - 16% p.a. (Previous year 12%-16% p.a.) and is repayable in 48 EMLs.

## 6. Provisions

Rs. in lacs

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 29)	1,056	985	120	103
Provision for leave encashment	-	-	660	657
<b>(A)</b>	<b>1,056</b>	<b>985</b>	<b>780</b>	<b>760</b>
<b>Other provisions</b>				
Provision for taxation (net)	-	-	874	291
Provision for wealth tax	-	-	-	4
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>874</b>	<b>295</b>
<b>(A+B)</b>	<b>1,056</b>	<b>985</b>	<b>1,654</b>	<b>1,055</b>

## 7. Short-term borrowings

Rs. In lacs

	31 March 2016	31 March 2015
Cash credit from banks (secured) (refer note a and b below and note 40c)	4,619	7,304
Working capital demand loan from banks (secured) (refer note a and c below and note 40c)	-	1,385
Inter-corporate deposits repayable on demand (unsecured) (refer note d)	344	787



	31 March 2016	31 March 2015
Other loans (unsecured) (refer note e)	-	382
Other loans (unsecured) (refer note f)	35	34
	<b>4,998</b>	9,892
<b>The above amount includes</b>		
Secured borrowings	<b>4,619</b>	8,689
Unsecured borrowings	<b>379</b>	1,203
	<b>4,998</b>	9,892

- a. In accordance with the Corporate Debt Restructuring Scheme (CDR) approved by the Corporate Debt Restructuring Empowered Group, SBICAP Trustee Company Limited was appointed as the Security Trustee for the benefit of the Lenders of the Company and acting as an agent for SBI Antwerp, Belgium for the loan taken by one of the subsidiary of the Company. In pursuance of master restructuring agreement signed as per CDR scheme and the SBI Antwerp document, the cash credit amounting to Rs. 4,619 lacs (Previous year: Rs. 7,304 lacs) and working capital demand loan amounting to Rs. Nil (Previous year: Rs. 1,385 lacs) is secured by way of first pari passu charge on movable assets including current assets and immovable assets of Agro and Pharma Division, pledge of unencumbered shares of one of the promoter and the personal guarantee of promoter of the Company.
- b. Cash Credit amounting to Rs. 4,619 lacs (Previous year: Rs. 7,304 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.).
- c. Working Capital Demand Loans amounting to Rs. Nil (Previous year: Rs. 1,385 lacs) is carrying interest rate of 10.25% p.a. (Previous year 10.25% p.a.).
- d. Inter-corporate deposits amounting to Rs. 344 lacs (Previous year: Rs. 787 lacs) is carrying interest rate of 12.75% p.a. (Previous year 12.75% p.a.).
- e. Term Loan taken from Banco Santander Rio amounting to Rs. Nil (Previous year: Rs. 382 lacs) is secured by mortgage of the company's real estate property located in Arroyo Secco Sud, jurisdiction of Fighiera in the province of Santa Fe, corresponding to lot number FOUR B. The loan carries interest rate of in the range of 19.95%.
- f. Term Loan from others (unsecured) represents loan taken by Stellar Marine Paints Limited (Joint venture) from Viachem LLC which is interest free and loan from Hemsil Trading & Manufacturing Limited carrying an interest of 12% p.a. - Rs. 35 lacs (Previous year: Rs. 34 lacs)

## 8. Trade payables and other liabilities

Rs. In lacs

	Non current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
8a. Trade payables (refer note 39)	<b>2,709</b>	3,095	<b>5,590</b>	6,192
	<b>2,709</b>	3,095	<b>5,590</b>	6,192
8b. Other liabilities				
Current maturities of long term borrowings (refer note 5)	-	-	<b>3,508</b>	7,432
Payables for fixed assets	-	-	<b>210</b>	237
Interest accrued but not due on borrowings	-	-	<b>10</b>	-
Interest accrued and due on borrowings	-	-	<b>138</b>	1,427
Employee related liabilities	<b>2,147</b>	-	<b>760</b>	1,317
Interest bearing security deposits from customers	-	-	<b>62</b>	62
Security deposit from others	-	-	<b>226</b>	235
Advance for sale of fixed assets	-	-	<b>1,025</b>	-
Advance from customers	-	-	<b>1,845</b>	622
Investor education and protection fund will be credited by the following amounts (as and when due) (Refer note below)				
Unclaimed dividend	-	-	<b>2</b>	8
Other liabilities	-	-	<b>3,047</b>	4,353
	<b>2,147</b>	-	<b>10,833</b>	15,693
	<b>4,856</b>	3,095	<b>16,423</b>	21,885

Note : There is no amount due as at the end of the year which needs to be transferred to Investor Education and Protection Fund.



**9. Tangible Assets**

(Rs. In Lacs)

	Land (Refer note (b) and (c))	Buildings (Refer note (a), (b), (d) and (f))	Plant and equipments (Refer note (e))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
<b>Cost or valuation</b>							
<b>As at 1 April 2014</b>	<b>6,357</b>	<b>9,345</b>	<b>18,846</b>	<b>499</b>	<b>1,435</b>	<b>649</b>	<b>37,131</b>
Additions	-	17	615	1	278	102	1,013
Disposals	-	-	52	-	2	57	111
Foreign exchange adjustment	14	194	124	-	128	6	466
<b>As at 31 March 2015</b>	<b>6,371</b>	<b>9,556</b>	<b>19,533</b>	<b>500</b>	<b>1,839</b>	<b>700</b>	<b>38,499</b>
Additions	-	20	868	6	76	-	970
Revaluation	1,236	4,122	-	-	-	-	5,358
Disposals	296	1,694	1,603	102	199	-	3,894
Reclassification	-	-	-	-	6	-	6
Assets held for sale (Refer note 43)	-	1,548	80	-	-	-	1,628
Foreign exchange adjustment	(42)	(586)	(413)	-	(492)	(19)	(1,553)
<b>As at 31 March 2016</b>	<b>7,269</b>	<b>9,870</b>	<b>18,304</b>	<b>404</b>	<b>1,229</b>	<b>681</b>	<b>37,757</b>
<b>Depreciation</b>							
<b>As at 1 April 2014</b>	<b>57</b>	<b>2,659</b>	<b>9,779</b>	<b>292</b>	<b>1,198</b>	<b>478</b>	<b>14,463</b>
Charge for the year	12	346	1,111	35	87	44	1,635
Charged to Reserve & Surplus (Refer note f below)	-	39	209	27	37	4	316
Disposals	-	-	46	-	2	52	100
Foreign exchange adjustment	-	127	84	-	107	5	323
<b>As at 31 March 2015</b>	<b>69</b>	<b>3,171</b>	<b>11,137</b>	<b>354</b>	<b>1,427</b>	<b>479</b>	<b>16,637</b>
Charge for the year	10	291	933	27	49	29	1,339
Disposals	17	276	611	79	187	-	1,170
Assets held for sale (Refer note 43)	-	281	48	-	-	-	329
Foreign exchange adjustment	-	(391)	(282)	-	(358)	(19)	(1,050)
<b>As at 31 March 2016</b>	<b>62</b>	<b>2,514</b>	<b>11,129</b>	<b>302</b>	<b>931</b>	<b>489</b>	<b>15,427</b>
<b>Net Block</b>							
As at 31 March 2015	6,302	6,385	8,396	146	412	221	21,862
<b>As at 31 March 2016</b>	<b>7,207</b>	<b>7,356</b>	<b>7,175</b>	<b>102</b>	<b>298</b>	<b>192</b>	<b>22,330</b>

(a) Building include investment representing ownership of office premises and residential flats in co-operative societies.

(b) Revaluations

In 2010-11, the company has revalued all its land and buildings as on 1 April 2009 at the fair values as at 1 April 2009 determined by an independent external valuer. The valuer determined the fair value by reference to market-based evidence. The valuations performed by the valuer were based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.

The historical cost of freehold land, leasehold land and building fair valued by the company was Rs. 130 lacs, Rs. 19 lacs and Rs. 3,542 lacs respectively and their fair value were Rs. 5,395 lacs, Rs. 614 lacs and Rs. 8,355 lacs respectively. The revaluation resulted in an increase in the value of freehold land, leasehold land and building by Rs. 5,265 lacs, Rs. 595 lacs and Rs. 4,813 lacs respectively.



**(c) Land includes land held on leasehold basis:**

	<b>31 March 2016</b>	31 March 2015
	<b>Rs. In Lacs</b>	Rs. In Lacs
Gross block	<b>587</b>	883
Depreciation charge for the year	<b>10</b>	12
Accumulated depreciation	<b>62</b>	69
Net book value	<b>525</b>	814

**(d) Buildings includes building given on operating lease**

	<b>31 March 2016</b>	31 March 2015
	<b>Rs. In Lacs</b>	Rs. In Lacs
Gross block	<b>4,546</b>	7,621
Depreciation charge for the year	<b>311</b>	499
Accumulated depreciation	<b>1,524</b>	2,080
Net book value	<b>3,022</b>	5,541

The Lease term is for 20 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

**(e) Plant and equipments includes Rs. 82 lacs (Previous year: Rs. 82 lacs) worth of equipments acquired under UNIDO grant scheme.**

**(f) During March 31 2015, the Company has revised the depreciation rates on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company. Based on current estimates, the carrying amount of Rs 316 lacs in respect of asset whose useful life has already exhausted as on April 1, 2014 has been adjusted to Retained Earnings.**

**10. Intangible Assets**

(Rs. In Lacs)

	<b>Goodwill</b>	<b>Formation Expenses</b>	<b>Computer license/ Computer Software</b>	<b>Product registration (Refer Note (a) &amp; (b))</b>	<b>Technical Knowhow Fees (Refer Note (c))</b>	<b>Total</b>
<b>Gross Block</b>						
<b>As at 1 April 2014</b>	<b>1,904</b>	<b>11</b>	<b>213</b>	<b>2,271</b>	<b>168</b>	<b>4,567</b>
Additions	-	-	1	15	95	111
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	(2)	13	-	-	11
<b>As at 31 March 2015</b>	<b>1,904</b>	<b>9</b>	<b>227</b>	<b>2,286</b>	<b>263</b>	<b>4,689</b>
Additions	-	-	1	26	177	204
Disposals	-	-	-	-	98	98
Foreign exchange adjustment	-	-	(43)	-	-	(43)
<b>As at 31 March 2016</b>	<b>1,904</b>	<b>9</b>	<b>185</b>	<b>2,312</b>	<b>342</b>	<b>4,751</b>
<b>Amortization</b>						
<b>As at 1 April 2014</b>	<b>1,904</b>	<b>11</b>	<b>164</b>	<b>958</b>	<b>19</b>	<b>3,056</b>
Charge for the year	-	-	37	228	38	303
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	(2)	9	-	-	7
<b>As at 31 March 2015</b>	<b>1,904</b>	<b>9</b>	<b>210</b>	<b>1,186</b>	<b>57</b>	<b>3,366</b>



	Goodwill	Formation Expenses	Computer license/ Computer Software	Product registration (Refer Note (a) & (b))	Technical Knowhow Fees (Refer Note (c))	Total
Charge for the year	-	-	17	229	40	286
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	-	(42)	-	-	(42)
<b>As at 31 March 2016</b>	<b>1,904</b>	<b>9</b>	<b>185</b>	<b>1,415</b>	<b>97</b>	<b>3,612</b>
<b>Net Block</b>						
As at 31 March 2015	-	-	17	1,100	206	1,323
<b>As at 31 March 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>897</b>	<b>245</b>	<b>1,139</b>

- a. Product registration includes testing, data access and other product registration related expenses.  
 b. Remaining period of amortization of product registration expenses ranges from 25 to 85 months.  
 c. Technical Know how is amortised on a straight line basis over a period of 5 years. Remaining period of amortization of technical know how ranges from 29 to 54 months.

## 11. Non-current investments

Rs. In lacs

	31 March 2016	31 March 2015
<b>Trade investments (valued at cost unless otherwise stated)</b>		
<b>Unquoted equity instruments</b>		
Investment in Subsidiary Company	-	2
<b>Investment in others</b>		
84,375 (Previous year: 84,375) equity shares of Rs. 10/- each fully paid-up in Nimbua Green Field (Punjab) Limited	8	8
1,00,000 (Previous year: 1,00,000) equity shares of Rs. 10/- each fully paid-up in Mohali Green Field Limited	10	10
	<b>18</b>	<b>18</b>
<b>Non trade investments (valued at cost unless otherwise stated)</b>		
<b>Quoted equity instruments</b>		
1,700 (Previous year: 1,700) equity shares of Rs. 10/- each fully paid-up in Dena Bank Limited	1	1
400 (Previous year: 400) equity shares of Rs. 10/- each fully paid-up in Syndicate Bank Limited	0.04	0.04
	<b>1</b>	<b>1</b>
<b>Unquoted equity instruments</b>		
12,500 (Previous year: 12,500) equity shares of Rs. 10/- each fully paid-up in Alpha Tools Private Limited	1	1
30 (Previous year: 30) equity shares of Rs. 50/- each fully paid-up in Alkapuri Arcade Co-op Society	0.02	0.02
Less: Provision for diminution in value of investment	(0.02)	(0.02)
	-	-
2,535 (Previous year: 2,535) equity shares of Rs. 10/- each fully paid-up in Pragati Sahkari Bank Limited	0.25	0.25
Less: Provision for diminution in value of investment	(0.25)	(0.25)
	-	-
1,050 (Previous year: 1,050) equity shares of Rs. 10/- each fully paid-up in Baroda Dist Industrial Co-op Bank Limited	0.11	0.11
Less: Provision for diminution in value of investment	(0.11)	(0.11)
	-	-



	31 March 2016	31 March 2015
<b>Unquoted other non-current investments</b>		
3,875 (Previous year: 3,875) 6.75% Tax Free US-64 Bonds of Rs. 100/- each	4	4
Less: Provision for diminution in value of investment	(4)	(4)
	-	-
	1	1
	20	22
Aggregate amount of quoted investments (Market value Rs. 0.74 lacs (Previous year: Rs. 1.26 lacs))	1	1
Aggregate amount of unquoted investments	19	21
Aggregate provision for diminution in value of Investments	4	4

## 12. Loans and advances

Rs. in lacs

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances (unsecured, considered good)	9	44	-	-
Security deposit (unsecured, considered good)	206	199	38	42
<b>(A)</b>	<b>215</b>	243	<b>38</b>	42
Loans and advances to related parties				
Unsecured considered good	-	-	-	34
Unsecured considered doubtful	-	-	-	38
	-	-	-	72
Provision for doubtful advances	-	-	-	38
<b>(B)</b>	-	-	-	34
Advances recoverable in cash or kind				
Unsecured considered good	2,030	2,033	1,223	2,246
Unsecured considered doubtful	-	-	24	24
	2,030	2,033	1,247	2,270
Provision for doubtful advances	-	-	24	24
<b>(C)</b>	<b>2,030</b>	2,033	<b>1,223</b>	2,246
<b>Other loans and advances (unsecured, considered good unless otherwise stated)</b>				
Advance tax (net)	1,068	1,026	-	-
MAT credit entitlement	113	-	-	-
Balance with excise and customs	-	-	297	369
VAT recoverable	-	-	528	860
<b>(D)</b>	<b>1,181</b>	1,026	<b>825</b>	1,229
<b>(A+B+ C+D)</b>	<b>3,426</b>	3,302	<b>2,087</b>	3,551

### Movement in provision for doubtful advances/deposits

At the beginning of the year	62	66
Add: Provision made during the year	1	16
	63	82
Less: Advances written off against which provision was made/Reversal of provision	39	20
<b>At the end of the year</b>	<b>24</b>	62



**Short-term**

<b>31 March 2016</b> Rs. in lacs	31 March 2015 Rs. in lacs
-	72
-	72

**Loans and advances to related parties include**

Dues from STS Chemicals (UK) Limited (maximum amount due Rs. Nil (Previous year: Rs. 72 lacs))

**13. Current Investments**

**Unquoted current investments**

30,000 (Previous year: Nil) units of Rs. 10/- each in Baroda Pioneer Hybrid Fund Series 1-Plan A Growth

<b>31 March 2016</b> Rs. in lacs	31 March 2015 Rs. in lacs
3	3
3	3

**14. Inventories (valued at lower of cost and net realizable value)**

Rs. In lacs

	<b>31 March 2016</b>	31 March 2015
Raw materials (includes in transit Rs. 3 lacs (Previous year: Rs. Nil))	<b>1,379</b>	2,515
Work-in-progress	<b>710</b>	564
Finished goods (including trial run) (refer note 37)	<b>3,191</b>	3,632
Traded goods	-	177
Packing materials	<b>197</b>	268
Stores and spares (including fuel)	<b>266</b>	368
	<b>5,743</b>	7,524

**15. Trade Receivables**

Rs. in lacs

**Current**

	<b>31 March 2016</b>	31 March 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	<b>228</b>	107
Doubtful	<b>57</b>	2,171
	<b>285</b>	2,278
<b>Other receivables</b>		
Secured, considered good	-	25
Unsecured, considered good	<b>7,381</b>	7,240
Doubtful	-	-
	<b>7,381</b>	7,265
Less: Provision for doubtful trade receivables	<b>57</b>	2,171
	<b>7,609</b>	7,372
<b>Movement in provision for doubtful debts</b>		
At the beginning of the year	<b>2,171</b>	1,817
Add: Provision made during the year	<b>112</b>	386
	<b>2,283</b>	2,203
Less: Bad debts written off against which provision was made/Reversal of provision	<b>2,226</b>	32
<b>At the end of the year</b>	<b>57</b>	2,171



## 16. Cash and bank balances

Rs. in lacs

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Cash and cash equivalents</b>				
Balance with banks				
on current accounts - in local currency	-	-	286	852
on current accounts - in foreign currency	-	-	240	235
on fixed deposits with original maturity of less than three months	-	-	-	73
on unpaid dividend account	-	-	2	8
Cheques on hand	-	-	-	173
Cash on hand	-	-	8	25
	-	-	536	1,366
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	1	1	2	2
Deposits with original maturity for more than 3 months but less than 12 months	-	-	53	17
Margin money deposit*	175	458	17	-
	176	459	72	19
Amount disclosed under non-current assets (note 17)	(176)	(459)	-	-
	-	-	608	1,385

\*Includes Rs. 175 lacs (Previous year: Rs. 437 lacs) as margin for bank guarantees.

## 17. Other Assets

Rs. in lacs

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Non-current bank balances (refer note 16)	176	459	-	-
Interest receivable	-	-	36	50
Export benefit receivable	-	-	890	556
Insurance claim receivable	-	-	1	20
Job work charges receivable	-	-	60	101
Assets held for sale (refer note 43)	-	-	1,232	-
Other receivable	-	-	6	-
	176	459	2,225	727

## 18. Revenue from Operations

Rs. In lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
<b>Sale of products</b>		
Finished goods	50,534	52,861
Traded goods	2,010	1,816
Sale of services	1,270	1,620
<b>Other operating revenue</b>		
Scrap sales	115	117



	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Export benefit	<b>726</b>	810
Technicals Support & Development Fees	-	35
Lease Rentals	<b>456</b>	456
<b>Revenue from operations (gross)</b>	<b>55,111</b>	57,715
Less: Excise duty#	<b>1,309</b>	1,225
<b>Revenue from operations (net)</b>	<b>53,802</b>	56,490

# Excise duty on sales amounting to Rs. 1,309 lacs (Previous year: Rs. 1,225 lacs) has been reduced from sales in the statement of profit and loss and excise duty on increase / decrease in finished goods amounting to (Rs. 44 lacs) (Previous year: Rs. 61 lacs) has been considered (income) / expenses in note 22 of financial statements.

### Details of products sold

#### Finished goods sold

Agro chemicals and intermediates	<b>37,018</b>	39,441
Bulk drugs and intermediates	<b>5,390</b>	4,351
Phosphorous and its compounds	<b>2,854</b>	2,749
Other chemicals	<b>5,272</b>	6,320
	<b>50,534</b>	52,861

#### Traded goods sold

Agro chemicals and intermediates	<b>1,965</b>	1,639
Other chemicals	<b>45</b>	177
	<b>2,010</b>	1,816

#### Details of services rendered

Job work income	<b>1,132</b>	1,548
Micronisation and handling charges	<b>138</b>	72
	<b>1,270</b>	1,620

### 19. Other Income

Rs. In lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
<b>Interest income on</b>		
Bank deposits	<b>34</b>	97
Others	<b>176</b>	241
Government grants	<b>5</b>	5
Exchange difference (net)	<b>1,111</b>	276
Profit on sale of long-term investments (net)	-	1,013
Profit on sale of fixed assets (net)	<b>124</b>	37
Service charges	<b>13</b>	1
Provision for Doubtful Debt & Advance written back	-	489
Sundry credit balances written back (net)	<b>67</b>	58
Rent income	<b>70</b>	64
Miscellaneous Income	<b>2</b>	33
	<b>1,602</b>	2,314



## 20. Cost of raw materials consumed

Rs. In lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Stock of raw material at the beginning of the year	2,515	2,592
Add: Purchases	26,170	29,124
	<b>28,685</b>	31,716
Less: Sale of raw materials	192	291
Less: Sale of raw materials transferred on sale of unit	-	100
Less: Stock of raw material at end of the year	1,379	2,515
	<b>1,571</b>	2,906
Foreign Exchange Movement	(261)	64
<b>Cost of raw material consumed</b>	<b>26,853</b>	28,874
<b>Details of raw material consumed</b>		
Agro chemicals and its intermediates	19,222	20,827
Bulk drugs and intermediates	2,771	2,506
Oxalic acid and oxalates	2,721	2,955
Other chemicals	2,139	2,586
	<b>26,853</b>	28,874

## 21. Purchase of traded goods

Rs. In lacs

	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015
Agro chemicals and its intermediates	12	0.24
Formulated goods	-	196
Other chemicals	49	140
	<b>61</b>	336

## 22. (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods

Rs. in lacs

	31 March 2016	31 March 2015	(Increase)/decrease 31 March 2016
<b>Inventories at the end of the year</b>			
Traded goods	-	177	177
Work-in-progress	710	564	(146)
Finished goods	3,191	3,632	441
	<b>3,901</b>	4,373	472
<b>Inventories at the beginning of the year</b>			31 March 2015
Traded goods	177	238	(61)
Work-in-progress	564	818	(254)
Finished goods*	3,632	3,316	316
	<b>4,373</b>	4,372	1
Foreign Exchange Movement	(555)	35	
(Increase)/Decrease in excise duty on closing stock of finished goods	(44)	61	
Less: Stock transferred on sale of unit	-	254	
	<b>(127)</b>	(159)	

\*Note: Opening stock of finished goods as on April 1, 2015 includes Rs. 18 lacs as Trial Run Inventory which is sold during the year.



<b>Details of inventories</b>	<b>31 March 2016</b>	31 March 2015
	<b>Rs. in lacs</b>	Rs. in lacs
<b>Traded goods</b>		
Agro chemicals and intermediates	-	177
	-	177
<b>Work-in-progress</b>		
Agro chemicals and intermediates	<b>220</b>	234
Bulk drugs and intermediates	<b>425</b>	294
Sulphur based compounds	<b>33</b>	-
Other chemicals	<b>32</b>	36
	<b>710</b>	564
<b>Finished goods</b>		
Bulk drugs and intermediates	<b>833</b>	2,081
Agro chemicals and intermediates	<b>2,053</b>	1,221
Other chemicals	<b>305</b>	330
	<b>3,191</b>	3,632

### 23. Employee benefits expenses

Rs. In lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Salaries, wages and bonus	<b>10,511</b>	9,767
Contribution to provident and other funds	<b>430</b>	422
Gratuity and leave encashment expense (refer note 29)	<b>185</b>	315
Staff welfare expenses	<b>829</b>	841
	<b>11,955</b>	11,345

### 24. Other expenses

Rs. In lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Consumption of stores and spares	<b>224</b>	120
Power and fuel	<b>3,494</b>	3,959
Repairs and maintenance - plant and machinery	<b>520</b>	852
Repairs and maintenance - buildings	<b>53</b>	40
Repairs and maintenance - others	<b>304</b>	25
Sub-contracting charges	<b>274</b>	277
Rent	<b>202</b>	113
Rates and taxes	<b>993</b>	757
Insurance charges	<b>121</b>	96
Bad debts / advances written off	<b>39</b>	68
Postage, telegrams and telephones	<b>72</b>	78
Traveling and conveyance	<b>617</b>	599
Commission on sales (other than sole selling agents)	<b>322</b>	190
Discount on sales	<b>59</b>	49
Provision for doubtful advances (net) (refer note 12)	<b>1</b>	16
Packing expenses	<b>439</b>	465
Freight and handling expenses	<b>696</b>	731
Job work expenses	<b>20</b>	30
Director's sitting fees	<b>11</b>	7





	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Charity and donations (other than political parties)	2	1
CSR Expenditure (refer note B below)	13	-
Payment to auditors (refer note A below)	31	32
Fixed assets written off	10	-
Provision for doubtful debts (net) (refer note 15)	112	227
Research and development expenses	61	62
Marketing and promotional expenses	80	34
Exchange Variation	-	820
Other expenses	2,221	1,707
	<b>10,991</b>	11,355

**A) Payment to auditor****As Auditor:**

Audit fee	20	20
Tax audit fee	-	-
Limited review	9	9
Out of pocket expenses	1	2
Reimbursement of expenses	1	1
	<b>31</b>	<b>32</b>

**B) Details of CSR expenditure**

a) Gross amount required to be spent by the Company		12	
<b>b) Amount spent during the year ended on 31 March 2016</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction / acquisition of any assets	7	2	9
ii) On purpose other than (i) above	1	3	4
	<b>8</b>	<b>5</b>	<b>13</b>
b) Amount spent during the year ending on 31 March 2015	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction / acquisition of any assets		-	-
ii) On purpose other than (i) above	-	-	-
	-	-	-

**25. Depreciation and amortization expenses**

Rs. In lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Depreciation on tangible assets	1,387	1,616
Amortization of intangible assets	288	301
	<b>1,675</b>	<b>1,917</b>

**26. Finance costs**

Rs. In lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Interest on loans and deposits	1,671	2,527
Interest on cash credit accounts	519	790
Interest on others	2,774	128
Bank charges	2	27
	<b>4,966</b>	<b>3,472</b>

**27. Exceptional (Expenses) / Incomes**

Rs. In lacs

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Write back of borrowings along with accrued interest on One Time Settlement (refer note 40)	<b>5,076</b>	-
Property, plant and equipment discarded / scrapped (refer note 43b)	<b>(1,131)</b>	-
Voluntary Retirement Compensation (refer note 41)	-	(217)
Exchange rate difference of re-organisation proceedings (refer note 39)	<b>(1,593)</b>	-
	<b>2,352</b>	(217)

**28. Earnings per share**

Rs. In lacs

The following reflects the profit and share data used in the basic and diluted EPS computations:

	<b>31 March 2016</b>	31 March 2015
Profit after tax for calculation of basic and diluted EPS	<b>1,328</b>	1,420
Weighted average number of equity shares in calculating basic and diluted EPS (in numbers)	<b>1,22,62,185</b>	1,22,62,185
<b>Earnings per share (basic and diluted) (in Rs.)</b>	<b>10.83</b>	11.58

**29. Employee benefits****A. Defined contribution plan - provident fund and superannuation fund**

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

	<b>1 April 2015 to 31 March 2016</b>	1 April 2014 to 31 March 2015
Contribution to provident fund	<b>245</b>	254
Contribution to superannuation fund	<b>174</b>	137
	<b>419</b>	391

**B. Defined benefit plans - gratuity**

The Company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with an insurance company in the form of qualifying insurance policy.

**Statement of profit and loss**

Net employee benefit expense recognized in the employee cost

	<b>31 March 2016</b>	31 March 2015
Current service cost	<b>63</b>	62
Interest cost on benefit obligation	<b>100</b>	101
Expected return on plan assets	<b>(14)</b>	(25)
Net actuarial (gain)/loss recognized in the year	<b>(31)</b>	94
<b>Net benefit expenses</b>	<b>118</b>	232
Actual return on plan assets	<b>(11)</b>	23



## Balance sheet

### Benefit asset/liability

	31 March 2016 Rs. In lacs	31 March 2015 Rs. In lacs
Present value of defined benefit obligation	(1,327)	(1,247)
Fair value of plan assets	151	159
<b>Plan asset/(liability)</b>	<b>(1,176)</b>	<b>(1,088)</b>

### Changes in the present value of the defined benefit obligation are as follows:

	31 March 2016 Rs. In lacs	31 March 2015 Rs. In lacs
Opening defined benefit obligation	1,247	1,229
Transfer on sale of Agro Formulation unit	-	(27)
Current service cost	63	62
Interest cost	100	101
Benefits paid	(52)	(210)
Actuarial (gains)/losses on obligation	(31)	92
<b>Closing defined benefit obligation</b>	<b>1,327</b>	<b>1,247</b>

### Changes in the fair value of plan assets are as below:

	31 March 2016 Rs. In lacs	31 March 2015 Rs. In lacs
Opening fair value of plan assets	159	296
Transfer on sale of Agro Formulation unit	-	(17)
Expected return	14	25
Contributions by employer	60	57
Benefits paid	(82)	(200)
Actuarial (gains)/losses	-	(2)
<b>Closing fair value of plan assets</b>	<b>151</b>	<b>159</b>
Contribution for the next year	139	130

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 March 2016	31 March 2015
Investments with insurer	100%	100%
	100%	100%

The principal assumptions used in determining gratuity for the company's plans are shown below:

	31 March 2016	31 March 2015
Discount rate	8.00%	8.50%
Expected return on plan assets	8.35%	8.85%
Employee turnover	2.00%	2.00%
Expected rate of salary increase -Agro Chemical unit	5.00%	6.00%
Expected rate of salary increase -Other units	6.00%	6.00%
Mortality table	IALM (2006-08)	IALM (2006-08)
Proportion of employees opting for early retirement	1% to 3%	1% to 3%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



The overall expected return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four periods/years are as follows:

	<b>31 March 2016</b>	31 March 2015	31 March 2014	31 March 2013	30 Sept 2012
Defined benefit obligation	<b>(1,327)</b>	1,247	1,229	1,091	1,045
Plan assets	<b>151</b>	159	296	346	372
Surplus/(deficit)	<b>(1,176)</b>	(1,088)	(933)	(745)	(673)
Experience adjustment on plan liabilities	<b>28</b>	(96)	(168)	(11)	4
Experience adjustment on plan assets	<b>-</b>	(2)	21	(17)	158

### 30. Interest in joint venture

The Company has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. The proportionate interest of the Company in the said entity as per the latest audited Balance Sheet as at 31 March 2016 is as under:

	<b>31 March 2016</b> Rs. In lacs	31 March 2015 Rs. In lacs
Current assets	<b>1</b>	1
Current liabilities	<b>54</b>	53
<b>Equity</b>	<b>(53)</b>	(52)
Revenue	-	1
Operating and other expenses	<b>1</b>	1
<b>Loss before tax</b>	<b>(1)</b>	(0.11)
Tax expense	-	-
<b>Loss after tax</b>	<b>(1)</b>	(0.11)

### 31. Segment information

The Company is organized into two Business Segment namely:

- a) Chemicals - Comprising of Industrial, Agro Chemicals and their Intermediates, Speciality Chemicals etc.
- b) Bulk Drug- Comprising of Bulk Drug and Intermediates.

<b>Year ended 31 March 2016</b>	<b>Chemicals</b>	<b>Bulk drugs and intermediates</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue from operations</b>				
External	48,123	5,679	-	53,802
Inter-segment	-	195	(195)	-
<b>Total revenue from operations</b>	<b>48,123</b>	<b>5,874</b>	<b>(195)</b>	<b>53,802</b>
<b>Results</b>				
Segment results	4,349	(330)	-	4,019
Unallocated expenses net of (unallocable income)				23
<b>Operating profit</b>				<b>3,996</b>
Finance costs				4,966
Exceptional (Expenses) / Incomes				2,352



<b>Year ended 31 March 2016</b>	<b>Chemicals</b>	<b>Bulk drugs and intermediates</b>	<b>Eliminations</b>	<b>Total</b>
<b>Profit before tax</b>				<b>1,382</b>
Tax expenses				54
<b>Net Profit for the year</b>				<b>1,328</b>
<b>As at 31 March 2016</b>				
Segment assets	35,214	8,206	-	43,420
Unallocated assets	-	-	-	2,324
<b>Total assets</b>	<b>35,214</b>	<b>8,206</b>	-	<b>45,744</b>
Segment liabilities	17,374	2,086	-	19,460
Unallocated liabilities	-	-	-	20,161
<b>Total liabilities</b>	<b>17,374</b>	<b>2,086</b>	-	<b>39,621</b>
<b>Other segment information</b>				
Capital expenditure:				
Tangible assets	334	297	-	631
Intangible assets	219	16	-	235
Depreciation	1,091	296	-	1,387
Amortization	288	-	-	288
Other non-cash expenses	145	17	-	162
<b>Year ended 31 March 2015</b>				
				(Rs. In lacs)
	<b>Chemicals</b>	<b>Bulk drugs and intermediates</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue</b>				
External sales	51,859	4,631	-	56,490
Inter-segment sales	1	8	(9)	-
<b>Total revenue</b>	<b>51,860</b>	<b>4,639</b>	<b>(9)</b>	<b>56,490</b>
<b>Results</b>				
Segment results	5,773	(615)	-	5,158
Unallocated expenses net of unallocable income				22
<b>Operating profit</b>				<b>5,136</b>
Finance costs				3,472
Exceptional (Expenses) / Incomes				(217)
<b>Profit before tax</b>				<b>1,447</b>
Tax expenses				63
<b>Profit after tax before Income from Associate</b>				<b>1,384</b>
Share of profits in associate for current year				36
<b>Net profit for the year</b>				<b>1,420</b>
<b>As at 31 March 2015</b>				
Segment assets	38,832	8,333	-	47,165
Unallocated assets	-	-	-	1,051
<b>Total assets</b>	<b>38,832</b>	<b>8,333</b>	-	<b>48,216</b>



<b>Year ended 31 March 2016</b>	<b>Chemicals</b>	<b>Bulk drugs and intermediates</b>	<b>Eliminations</b>	<b>Total</b>
Segment liabilities	17,451	1,846	-	19,297
Unallocated liabilities				32,383
<b>Total liabilities</b>	<b>17,451</b>	<b>1,846</b>	<b>-</b>	<b>51,680</b>
<b>Other segment information</b>				
Capital expenditure:				
Tangible assets	817	570	-	1,387
Intangible assets	158	-	-	158
Depreciation	1,340	276	-	1,616
Amortization	301	-	-	301
Other non-cash expenses	111	200	-	311

### Geographical segments

The Company produces and sells its products in India and also Export the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purpose of AS-17 regarding Segment Reporting, secondary segment information on geographical segment is considered on the basis of revenue generated from India and Outside India.

(Rs. In lacs)

<b>Year ended 31 March 2016</b>	<b>India</b>	<b>Outside India</b>	<b>Total</b>
<b>Revenue from operations</b>			
External customers	12,330	41,472	53,802
<b>Other segment information</b>			
Segment assets	29,830	15,915	45,745
Capital expenditure			
Tangible fixed assets	579	52	631
Intangible assets	209	26	235

<b>Period ended 31 March 2015</b>	<b>India</b>	<b>Outside India</b>	<b>Total</b>
<b>Revenue from operations</b>			
External customers	11,838	44,652	56,490
<b>Other segment information</b>			
Segment assets	35,125	13,091	48,216
Capital expenditure			
Tangible fixed assets	1,187	200	1,387
Intangible assets	148	12	160

## 32. Related party transactions

### Name of the related parties and related party relationships

#### Related parties where control exists

Subsidiaries, Associate and Joint Venture 1 STS Chemicals (UK) Limited - Subsidiary

#### Other related parties with whom transactions have taken during the year

Key management personnel

- 1 Mr. Shalil Shroff -Managing Director
- 2 Mr. Avtar Singh -Whole time Director
- 3 Mr. S.S.Tiwari -Whole time Director (upto April 5, 2015)
- 4 Capt. S S Chopra (Retd) -Director
- 5 Mr. Vipul Joshi -Chief Financial Officer
- 6 Mr. Punit K Abrol -Sr. V.P. (Finance) & Company Secretary



Relatives of key management personnel	1 Mrs. Shaila Shroff
	2 Mrs. Bhupinder Kaur
	3 Mrs. Ravinder Kaur
	4 Mr. Jaskaran Singh
	5 Mrs. Rajni Tiwari

Enterprises over which key management personnel & their relatives have significant influence :

- 1 Hemsil Trading & Manufacturing Private Limited
- 2 L & L Products Shroff Private Limited

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**a. Loans given, advances made and repayment thereof**

		(Rs. In lacs)	
	Year ended	Loans given/ Advances made during the year	Amount owed by related parties#
<b>Subsidiaries</b>			
STS Chemicals (UK) Limited	31 March 2016	-	-
	31 March 2015	-	72

#The amounts are classified as advance receivable from related parties.

**b. Loans taken, deposits received, advances received and repayment thereof**

(Rs. In lacs)

	Year ended	Loans and Deposits taken/ Advance received during the year	Loans repayment/ Interest payment during the year	Interest accrued during the year	Amount owed to related parties
<b>Other related entities</b>					
Hem-sil Trading and Manufacturing Pvt. Limited	<b>31 March 2016</b>	-	<b>73</b>	<b>73</b>	<b>344</b>
	31 March 2015	-	101	101	787
Salil Metachem	<b>31 March 2016</b>	-	-	-	-
	31 March 2015	-	52	5	-
<b>Key managerial personnel</b>					
Mr. Shalil Shroff	<b>31 March 2016</b>	-	-	-	<b>2</b>
	31 March 2015	2	-	-	2
Mr. Avtar Singh	<b>31 March 2016</b>	-	-	-	<b>2</b>
	31 March 2015	2	-	-	2
Mr. Punit K Abrol	<b>31 March 2016</b>	-	-	-	<b>2</b>
	31 March 2015	2	-	-	2



**c. Other transactions with related parties**

(Rs. In lacs)

	Year ended	Rent/service charges income / (expense) during the year	Amount receivable / (payable) on account of income / (expense)
<b>Other related parties</b>			
Shalil Shroff HUF	31 March 2016	-	-
	31 March 2015	(1)	-
L & L Products Shroff Private Limited	31 March 2016	10	-
	31 March 2015	10	-

(Rs. In lacs)

		Provision for doubtful debts made during the year	Provision for doubtful debts written back during the year	Provision for doubtful advances made/ advances written off during the year	Provision for doubtful advances written back during the year
<b>Subsidiaries</b>					
STS Chemicals (UK) Limited	31 March 2016	-	-	-	-
	31 March 2015	-	-	-	3

**d. Remuneration and other benefits**

31 March 2016  
Rs. In Lacs

31 March 2015  
Rs. In Lacs

**Remuneration to Directors and KMP's**

Shalil Shroff	62	43
Avtar Singh	54	34
S. S. Tiwari	0.41	38
Vipul Joshi	46	45
Punit K Abrol	32	30

**Benefits to Relatives**

Shaila Shroff	4	4
Ravinder Kaur	8	6
Jaskaran Singh	4	2
Bhupinder Kaur	1	1
Rajni Tiwari	8	-

**Sitting Fees**

Capt. S. S. Chopra (Retd)	2	1
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Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.





### 33. Contingent liabilities

	31 March 2016 Rs. In lacs	31 March 2015 Rs. In lacs
Claims against the company not acknowledged as debts		
Excise duty matters in dispute or under appeal	589	572
Income Tax matters in dispute or under appeal	814	830
Demand raised by Sales Tax Authorities	11	11
Labour laws matters in dispute or under appeal	7	13
Demand raised by previous land owners	660	574
Corporate guarantee given on behalf of the subsidiary companies (revalued at closing exchange rates) [Includes Corporate Guarantee given to State Bank of India of Rs. 1,226 lacs (Previous year: Rs. 1,791 lacs) which is also secured by way of charge on the current assets of the Company and charge on the fixed assets of Agro and Pharmaceutical division.	1,226	1,791

The Company is contesting the demands and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. No tax expense has been accrued in financial statements for the tax demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

The Company shall indemnify the damages to the Managing Director/Directors in case their personal guarantees are invoked in respect of loans, backed by their personal guarantees.

### 34. Capital and other commitments

	31 March 2016 Rs. In lacs	31 March 2015 Rs. In lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	31	64
Other commitments (Deposit for Performance Guarantee)	-	625
	31	689

### 35. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure of theas at the reporting date in lacs

	Currency	31 March 2016		31 March 2015	
		Indian rupees	Foreign currency	Indian rupees	Foreign currency
Trade receivable / advances to vendors	EUR	259	3.44	323	4.81
	USD	2,855	43.10	2,389	38.24
Trade payable / advances from customers	EUR	92	1.22	105	1.57
	USD	1,542	25.31	1,441	23.05
Advances to/receivable from subsidiaries	GBP	-	-	38	0.41
Investments (at historical cost)	GBP	-	-	2	0.02



**36. Information required for consolidated financial statements pursuant to Schedule III of Companies Act, 2013**

Name of the entity	Particulars	31 March 2016			
		Net assets as a % of consolidated		% of Share in profit and loss	
		%	Rs. In lacs	%	Rs. In lacs
Punjab Chemicals & Crop Protection Limited	Parent	106%	6,505	346%	4,593
SD Agchem (Europe) NV	Foreign Subsidiary	-14%	(869)	66%	877
Sintesis Quimica S.A.I.C	Foreign Subsidiary	11%	655	-307%	(4,076)
Stellar Marine Paints Limited	Joint Venture	-1%	(55)	0%	(1)
STS Chemicals (UK) Ltd	Foreign Subsidiary	-2%	(112)	-5%	(65)
		<b>100%</b>	<b>6,124</b>	<b>100%</b>	<b>1,328</b>

As regards to previous year:

Name of the entity	Particulars	31 March 2015			
		Net assets as a % of consolidated		% of Share in profit and loss	
		%	Rs. In lacs	%	Rs. In lacs
Punjab Chemicals & Crop Protection Limited	Parent	41%	1,917	25%	356
SD Agchem (Europe) NV	Foreign Subsidiary	-38%	(1,769)	60%	855
Sintesis Quimica S.A.I.C	Foreign Subsidiary	-102%	(4,784)	12%	173
Stellar Marine Paints Limited	Joint Venture	-1%	(54)	0%	-
Source Dynamics LLC	Foreign Associate	0%	-	3%	36
		<b>-100%</b>	<b>(4,690)</b>	<b>100%</b>	<b>1,420</b>

**Note:**

Net assets and share of profit and loss reported in the above table have been considered from the respective audited financial statements after making necessary changes for consolidation adjustments having impact on the consolidated net assets and net profits.

**37. Amounts capitalized in the respective project costs and excluded from:**

The company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	31 March 2016 Rs. In lacs	31 March 2015 Rs. In lacs
Salaries, wages and bonus	43	124
Raw Material Consumption	-	41
Power and fuel	12	28
Finance costs	5	17
<b>Total</b>	<b>60</b>	<b>210</b>
Less: Trial run inventory (refer note 14)	-	18
<b>Total amount capitalised</b>	<b>60</b>	<b>192</b>



### 38. Break-up of deferred tax assets and deferred tax liabilities

Rs. In lacs

	31 March 2016	31 March 2015
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,324	1,690
<b>(A)</b>	<b>1,324</b>	<b>1,690</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Provision for Gratuity	382	370
Provision for Leave encashment	125	145
Others	64	16
Unabsorbed losses and depreciation*	753	1,159
<b>(B)</b>	<b>1,324</b>	<b>1,690</b>
<b>Net deferred tax asset/(liability)</b>	<b>(A) - (B)</b>	<b>-</b>

\*Deferred tax assets (DTA) are recognised on carry forward unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Accordingly deferred tax assets has been recognised only to the extent of deferred tax liability.

### 39. Restructuring of subsidiary company

Sintesis Quimica S.A.I.C has filed an application for the Bankruptcy protection in Argentina for which the Company has obtained the approval from the Court under file "Sintesis Quimica S.A.I.C. 14 28 31/05/12 Industria Quimica, Raul Scalabrini Ortiz 3333" on April 30, 2014 and accordingly, the Company has given its effect in the financial statements by virtue of which the amounts which are receivable and payable after one year, as per the Order, are classified as non-current.

Further, the result of the current year there is a loss of Rs. 4,076 lacs and accumulated losses of SQ is Rs.6,000 lacs which may result in to difficulties meeting their financial obligations. Further during the year, the subsidiary has revalued its land and building by Rs. 5,400 lacs which along with other reserves, it has resulted in positive net worth of the subsidiary. The financial statements of subsidiary are prepared in accordance with valuation criteria applicable to a going concern. Therefore, they do not reflect potential adjustments that may be necessary if the Company is forced to realize its assets and discharge its liabilities, obligations and commitments other than the normal course of business. To maintain the positive net worth, the subsidiary needs to generate profits in future years for which management has business plans which will generate adequate cash flows to meet with the financial obligation of the subsidiary and as per the business projections, subsidiary operations will be profitable in FY 17.

### 40.

#### a. One Time Settlement (OTS) with State Bank of India

As per the terms of One Time Settlement (OTS) with State Bank of India (SBI), the Company has paid Rs. 4,550 lacs and Rs. 358 lacs from sale of 150,000 shares of the Company, pledged exclusively with SBI by one of the promoters against total outstanding dues of Rs. 9,485 lacs (including interest). The balance amount Rs. 4,577 lacs has been written back during the year.

#### b. One Time Settlement (OTS) with State Bank of India, Antwerp Belgium

State Bank of India, Antwerp has approved the compromise settlement of the existing borrowings in S D Agchem(Europe) NV. As per the compromise settlement, the subsidiary company has to pay Rs. 1,226 lacs upto December 8, 2016, against total outstanding dues of Rs. 1,801 lacs. The balance amount of Rs. 499 lacs has been written back during the year.



### c. Corporate Debt Restructuring

In the earlier periods, the Company had obtained an approval for Debt Restructuring (referred to as 'CDR') from the Corporate Debt Restructuring Empowered Group ('CDR EG'). As per the CDR Scheme, the Company was liable to pay working capital demand loan amounting to Rs. 5,000 lacs till September 2012, out of which the Company has repaid Rs. 4,823 lacs (Previous year: Rs. 3,508 lacs) as of March 31, 2016 and further there are other borrowings outstanding as of the balance sheet date for which the Company is in the process of selling non-core assets for repayment of the aforesaid dues.

### 41. Voluntary Retirement Scheme

During the previous year, the Company had announced voluntary retirement scheme for employees of one of its unit which have been accepted by some of the employees of that unit.

### 42. Approval from Reserve Bank of India (RBI) for conversion of Debtors into Investment

In respect of overdue export receivables from its wholly owned subsidiary, the company has received approval on March 31, 2016 from Reserve Bank of India (RBI) under Regulation 11 of Notification No. FEMA 120/ RB -2004 towards utilisation of said overdue export receivables into further investments. The company is in the process of obtaining necessary regulatory and other approvals. Pending such approvals, no accounting adjustments have been made in the books of accounts effecting such conversion.

### 43. Asset held for sale

- During the year, the company has decided to sell off one of its office premises for Rs. 1,200 lacs having a net book value of Rs. 1,267 lacs. The Company has recognised the loss of Rs. 67 lacs in the Statement of profit and loss and Rs. 1,200 lacs is transferred to Other Current Assets - Assets held for Sale from Fixed Assets
- During the year the Company has carried out physical verification and technical evaluation for usability of tangible and intangible assets at Tarapur unit. On such evaluation the management has identified tangible and intangible assets aggregating to Rs. 1,163 lacs of no use by the Company. Accordingly, the management has decided to discard / scrapped the assets. The Company has recognised the losses of Rs. 1,131 lacs in the Statement of Profit and Loss and Rs. 32 lacs is transferred to Other Current Assets - Assets held for Sale from Fixed Assets.

### 44. Previous year's figures

The company has reclassified previous year's figures to conform to current year's classification.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per **Ravi Bansal**

Partner  
Membership no.: 49365

Place: Mumbai  
Date: May 30, 2016

For and on behalf of the Board of Directors of  
**Punjab Chemicals and Crop Protection Limited**

**Mukesh D Patel**  
Chairman  
DIN No: 00009605

**Shalil Shroff**  
Managing Director  
DIN No: 00015621

**Avtar Singh**  
Director (Operations & Business Development)  
DIN No: 00063569

**Punit K. Abrol**  
Sr.V.P. (Finance) &  
Company Secretary

**Vipul Joshi**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2016

# *Corporate Social Responsibility*

*The Company has taken up few development activities in the areas in the vicinity of its manufacturing units at Derabassi and Lalru, Distt. Mohali, Punjab under the Corporate Social Responsibility (CSR) Policy.*

## *ACTIVITIES UNDER CSR POLICY*



*Sanitation & Drinking Water Facilities in Schools*



*Upgradation of facilities in Government Hospitals*



*Eye-Checkup and Operation Camp*



*Preventive Health Measures Medical Camps*

### **OTHER SOCIAL WELFARE ACTIVITIES**



*Blood Donation Camp at Agro Division, Derabassi*



*First Aid Training Programme at Agro Division, Derabassi*

## **A REQUEST**

We are sure you will read with interest the Annual Report for the financial year 2015-16. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us at least ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.



# Punjab Chemicals & Crop Protection Limited

CIN : L24231CH1975PLC003603

[www.punjabchemicals.com](http://www.punjabchemicals.com)

## **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](mailto:info@punjabchemicals.com)

## **CORPORATE OFFICE :**

Plot No. 645-646, 4th / 5th Floor  
Oberoi Chambers II  
New Link Road, Andheri (W), Mumbai - 400 053  
Tel : 022-2674 7900 (30 Lines)  
Fax : 022-2673 6193, 2673 6013  
Email : [enquiry@punjabchemicals.com](mailto:enquiry@punjabchemicals.com)





# PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN: L24231CH1975PLC003603

## ADDENDUM TO NOTICE OF 40<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON FRIDAY, THE 9TH SEPTEMBER, 2016 AT 10.00 A.M. AT PHD HOUSE, SECTOR- 31, CHANDIGARH.

This is to inform that item no. 4 of the Notice dated 1st June, 2016, special business to approve remuneration of Cost Auditor needs to be replaced in view of the casual vacancy arisen due to the sudden demise of one of the Cost Auditors, Smt. Pushpa Khanna on 23rd June, 2016. The casual vacancy has arisen for the year 2015-16 for which the audit was in process and for the year 2016-17, for which appointment was made by the Board of Directors of the Company. Therefore, the Board of Directors in their meeting held on 14th July, 2016 has appointed M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No.100123) to conduct the audit of the cost records for the products falling under CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" and any other product manufactured/ to be manufactured by the Company for the financial year 2015-16 and 2016-17 in addition to "Bulk Drugs" for which he was already appointed Cost Auditor for both the years.

M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No.100123) has agreed and furnished the following required Declaration and Certificate as required under the Companies Act, 2013 (the Act) for consideration of his appointment as Cost Auditor for "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" products for the financial year 2015-16 and also for the financial year 2016-17:

1. Declaration that they are not disqualified in terms of Section 141 (3) read with Section 148 (5) of the Companies Act, 2013 and does not violate the limits specified in Section 141 (3) of the Companies Act, 2013.
2. Certificate for certifying their independence and arm's length relationship with the Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, resolution at item no. 4 of the notice is replaced with the following:

4. (i) 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), M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) appointed by the Board of Directors to fill casual vacancy and to conduct the audit of the cost records of the Company for the products falling under CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" in addition to "Bulk Drugs" being manufactured / traded by the Company for the financial year 2015-16, 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."
4. (ii) 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), M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) appointed by the Board of Directors to fill casual vacancy and to conduct the audit of the cost records of the Company for the products falling under CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" and "Bulk Drugs" being manufactured / traded by the Company for the financial year 2016-17, 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."

P.T.O.

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

ITEM NO.4 (i & ii):

In view of the sudden demise of Smt. Pushpa Khanna on 23rd June, 2016, one of the Cost Auditors, who was appointed Cost Auditor to conduct the Cost Audit of products falling under CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" products of the Company for the financial years 2015-16 and 2016-17, the Board of Directors on the recommendation of the Audit Committee, filled the casual vacancy by appointing M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No.100123) to conduct the cost audit of products falling under CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" in addition to "Bulk Drugs" products for the financial years 2015-16 and 2016-17 as per the following details:

**Financial Year 2015-16**

<b>Sr. No.</b>	<b>Name of the Cost Auditor</b>	<b>Industry</b>	<b>Audit fees (Amount in Rs.)</b>
1.	M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar, Cost Auditors (Firm Registration No.100123) for the financial year ending March 31, 2016.	CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides"	36,000 plus service tax and out of pocket expenses.

**Financial Year 2016-17**

<b>Sr. No.</b>	<b>Name of the Cost Auditor</b>	<b>Industry</b>	<b>Audit fees (Amount in Rs.)</b>
1.	M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No. 100123) for the financial year ending March 31, 2017.	CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides"	36,000 plus service tax and out of pocket expenses.
2.	M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No. 100123) for the financial year ending March 31, 2017.	Bulk Drugs	27,500 plus service tax and out of pocket expenses.

Accordingly, consent of the members is sought for passing Ordinary Resolutions as set out at Item No. 4 (i) & (ii) of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial years ending March 31, 2016 and March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolutions set out at Item No. 4 (i) & (ii) of the Notice for approval by the members.

**Note : All other items of the Notice dated 1st June, 2016 will remain same.**

Date: July 15, 2016

**Registered Office:**

SCO: 183, First Floor, Sector -26,

Madhya Marg, Chandigarh- 160019

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

Email: info@punjabchemicals.com Website: www.punjabchemicals.com

By order of the Board of Directors

**Punit K Abrol**

Sr. V.P. (Finance) & Secretary



# PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231CH1975PLC003603

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

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

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

## ATTENDANCE SLIP

(To be presented at the entrance)

40th Annual General Meeting on Friday, the 9th September, 2016 at 10.00 a.m.  
at PHD House, Sector – 31, Chandigarh.

Folio No. \_\_\_\_\_ DPID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

### Notes:

1. You are requested to sign and handover this slip at the entrance of the Meeting venue.
2. If you intend to appoint a Proxy to the meeting instead of yourself, the Form of Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

..... ✂ ..... Please tear here ..... ✂ .....

## PROXY FORM

[Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]



# PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN No. : L24231CH1975PLC003603

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

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

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

Name of the Member (s)		E-mail Id	
Registered Address		Folio No. / Client Id	
		DP ID	

I / we, being the Member (s) of Punjab Chemicals and Crop Protection Limited, holding \_\_\_\_\_ shares hereby appoint

Name : \_\_\_\_\_ E-mail : \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/ her

Name : \_\_\_\_\_ E-mail : \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/ her

Name : \_\_\_\_\_ E-mail : \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

..... Please tear here .....

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 40th Annual General Meeting of the Company, to be held on Friday, the 9th September, 2016 at 10.00 a.m. at PHD House, Sector- 31, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl No.	Resolution	Vote (optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary business</b>				
1.	To consider and adopt the Audited Standalone and Consolidated Balance Sheet as at March 31, 2016, Statement of Profit and Loss, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2016.			
2.	To appoint a Director in place of Capt. S.S. Chopra (Retd.), who retires by rotation and being eligible, seeks re-appointment.			
3.	To consider & approve ratification of appointment of the Statutory Auditors and to fix their remuneration.			
<b>Special Business</b>				
4 (i)	To approve the remuneration of M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar, (Firm Registration No. 100123) Cost Auditors, appointed to fill casual vacancy to conduct the audit of the cost records of the products falling under CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" in addition to "Bulk Drugs" for the financial year ending March 31, 2016.			
4 (ii)	To approve the remuneration of M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar, (Firm Registration No. 100123) Cost Auditors, appointed to fill casual vacancy to conduct the audit of the cost records of the products falling under CETA heading 2901 to 2942- "Organic and Inorganic Chemicals, etc."; 3808- "Insecticides" and "Bulk Drugs" for the financial year ending March 31, 2017.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of the Member

Signature of the proxy holder(s)

Affix Re. 1/-  
Revenue  
Stamp

**Notes:**

- 1) This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the Annual General Meeting.
- 2) It is optional to indicate your preference. If you leave 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.

## INSTRUCTIONS

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on September 9, 2016.

### STEPS FOR E-VOTING:

1. 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.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to e-voting website 'www.evotingindia.com' during the voting period.
4. Click on "Shareholders" tab.
5. Now, enter User ID, captcha and password as per the instructions given below:

<b>User-ID</b>	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
<b>Captcha</b>	Next enter the Image Verification as displayed and Click on 'LOGIN'
<b>Password</b>	(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: <b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• 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.</li> </ul> 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.
<b>Date of Birth (DOB) or Dividend Bank Details</b>	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. 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.

6. After entering these details appropriately, click on "SUBMIT" tab.
7. 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.
8. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Select the EVSN of Punjab Chemicals and Crop Protection Limited (the number is provided in the Form).
10. 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.
11. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
12. 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.
13. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
15. 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.
16. 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.
17. Note for Institutional Shareholders:
  - a. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - c. 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.
  - d. 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.
  - e. 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.
18. 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.
19. 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
20. 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
21. 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.
22. 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.
23. 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.
24. 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.
25. 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.