



PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

Corporate Office :

Obero Chambers II, 4th / 5th Floor, 645 / 646, New Link Road, Andheri (W), Mumbai-400053. INDIA.
Tel: 91-22-26747900 Fax : 91-22-26736193/78 E-mail : enquiry@punjabchemicals.com • Website : www.punjabchemicals.com
Date: 31.01.2020

E-FILING

The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, New Trading Wing, P.J Towers
Dalal Street Fort
MUMBAI-400 001

Scrip Code: 506618
Tel No.: 022-22728073

The Manager
Listing Department
National Stock Exchange of India
Limited
Exchange Plaza, Bandra Kurla
Complex
Bandra (East)
MUMBAI-400 051
Scrip Symbol: PUNJABCHEM
Tel No.: 022-26598235/26598458

Sub: **Outcome of Board Meeting –**

- **Unaudited Financial Results (Standalone & Consolidated) for the third quarter and nine months ended 31st December, 2019.**
- **Appointment of Independent Woman Director**

Dear Sirs

This is to inform that the Board of Directors of the Company in their meeting held today i.e. 31st January, 2020, inter-alia, had considered and approved the following:

1. Pursuant to provisions of Regulation 33 of the SEBI (LODR), the Unaudited Financial Results (Standalone & Consolidated) for the third quarter / nine months ended 31st December, 2019 along with Limited Review Report of the Statutory Auditors thereon. The said result along with limited review report is attached herewith.
2. Pursuant to provisions of Regulation 30 of the SEBI (LODR), appointed Mrs. Aruna R Bhinge (DIN:07474950) as an Independent Director for a term of 5 years w.e.f. 1st April, 2020 till 31st March, 2025, subject to the approval of the members in the ensuing Shareholders' Meeting of the Company. The information of the appointee Director is enclosed as Annexure A.

The Board Meeting commenced at 10.45 a.m. and concluded at 2.45 p.m.

Kindly take the same on the record and inform all your constituents accordingly.

Thanking you,

Yours faithfully

For **PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED**


(**CS PUNIT K ABROL**)
SR. V.P. (FINANCE) & SECRETARY



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Annexure-A

Information about appointment of Independent Director

	Mrs. Aruna R Bhinge (DIN:07474950)
Reasons for change	Appointment as an Independent Director
Date of appointment / cessation & Term of appointment	On the basis of recommendation of Nomination & Remuneration Committee, the Board of Directors have approved and recommended her appointment as Independent Director of the Company for a period of 5 years w.e.f. 01-04-2020 till 31-03-2025, subject to the approval of the shareholders of the Company at the ensuing Shareholders Meeting.
Brief Profile (In case of appointment)	<p>She did Master of Management Studies from Narsee Monjee Institute of Management Studies, Master of Science from University of Bombay.</p> <p>She has more than 30 years of experience with leadership positions in business strategy, marketing, sales, projects & partnership in the healthcare and agri business sectors.</p>
Disclosure of relationships between Directors (in case of appointment of a Director)	Mrs. Aruna R Bhinge is not related to any of the Directors of the Company

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended 31 December 2019

(Rs in Lakhs)

Particulars	Standalone					
	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1 Revenue from operations	15,162	12,168	17,870	44,086	45,686	64,037
2 Other income	695	142	176	967	943	1,036
3 Total income (1+2)	15,857	12,310	18,046	45,053	46,629	65,073
4 Expenses:						
(a) Cost of materials consumed	8,895	7,382	12,246	25,609	29,190	39,742
(b) Purchases of stock in trade	52	182	160	361	465	583
(c) Changes in inventories of finished goods, work in progress and stock in trade	1,185	(856)	(1,000)	1,279	(1,314)	(412)
(d) Employee benefits expense	1,694	1,709	1,567	5,090	4,526	6,353
(e) Finance costs	374	392	511	1,293	1,315	1,706
(f) Depreciation and amortization expense	395	402	751	1,193	1,497	1,860
(g) Other expenses	-	-	-	-	-	-
- Power and fuel expense	1,142	1,081	1,161	3,391	3,533	4,672
- Others	1,674	1,501	1,768	5,154	4,429	6,510
Total expenses	15,411	11,793	17,164	43,370	43,641	61,014
5 Profit before exceptional items and tax (3-4)	446	517	882	1,683	2,988	4,059
6 Exceptional items (also refer note no. 5)	-	-	-	-	(838)	(838)
- (Charges incurred) on one time settlement of borrowings	-	-	-	-	(838)	(838)
7 Profit before tax (5+6)	446	517	882	1,683	2,150	3,221
8 Tax expense	214	95	378	583	849	1,196
9 Profit for the period (7-8)	232	422	504	1,100	1,301	2,025
10 Other comprehensive income/(expense)						
(A) (i) Item that will not be reclassified to profit or loss	(10)	(11)	(5)	(31)	(16)	(181)
(ii) Income tax relating to items that will not be reclassified to profit or loss	3	1	2	8	6	63
(B) (i) Item that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
11 Total comprehensive income for the period (9+10)	225	412	501	1,077	1,291	1,907
12 Earnings per equity share:						
- Basic and diluted (of Rs. 10 each) (not annualized)	1.89	3.44	4.11	8.97	10.61	16.51
13 Paid up equity share capital (Face value of share - Rs.10 each)	1,226	1,226	1,226	1,226	1,226	1,226
14 Reserve (excluding revaluation reserve)						8,894
See accompanying notes to the unaudited standalone financial results						



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Notes:

1. The above Unaudited Standalone Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 31 January 2020 and have been subjected to Limited Review by the Statutory Auditors. The review report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details, visit the Investor section of our website at www.punjabchemicals.com and Financial Results at Corporate section of www.bseindia.com and www.nseindia.com.
2. The Company is engaged in the single operating segment "Performance Chemicals".
3. During the quarter ended 31 December 2019, the Company has reassessed the estimate towards recoverability of doubtful provisions and reversed the initially recognized impairment of Rs. 603 lakhs related to advances to its wholly owned subsidiary.
4. On 01 April 2019, the Company has adopted Ind AS 116 "Leases", using the modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. Upon adoption of Ind AS 116 Company has recognized a right of use asset at an amount equivalent to the lease liability and consequently, there has been no adjustment to the opening balance of retained earnings as on 1 April 2019. In the Statement of Profit and Loss for the quarter and nine months ended 31 December 2019, the nature of expenses in respect of operating leases has changed from rent, in corresponding quarter and nine months ended 31 December 2018, to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.
5. On 10 July 2019, a fire broke out at one section of Agro Chemicals Division of the Company which caused damages to the Company's property, plant, equipment, capital work-in-progress and inventory and had disrupted the production process which had impacted the financial results for the previous quarter. The Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. In the previous quarter ended 30 September 2019, the Company had recorded a loss of Rs. 908 lakhs (Rs. 298 lakhs towards property, plant and equipment, Rs. 513 lakhs towards capital work-in-progress and Rs. 97 lakhs toward inventory) arising from the incident. Further, the Company had also recognised the insurance claim receivables to the extent of aforesaid losses. The aforementioned losses and the corresponding credit arising from insurance claim receivables had been presented on a net basis (Rs. Nil) under Exceptional items in the previous quarter. During the current quarter ended 31 December 2019, the Company has received an initial disbursement of Rs. 379 lakhs from the insurance company and Rs. 18 lakhs from sale of scraps. There is no dispute made by the insurance company against such claim.
6. During the quarter ended 30 September 2019, the Company had elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income tax for the quarter and nine months ended 31 December 2019 and re-measured its Deferred tax assets / liabilities basis the rate prescribed in the said section. The impact of this change will be recognised over the period from 01 July 2019 to 31 March 2020.
7. During the quarter ended 31 December 2019, the Directorate of Revenue Intelligence has asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme.



Consequently, the Company has suo moto deposited Rs. 50 lakhs and will pay remaining liability as and when determined.

8. Subsequent to the quarter end, on 24 January 2020, the Board of the Company, subject to the approval Maharashtra Industrial Development Corporation ("MIDC") and any other approval or execution of relevant agreement with UPL Limited as may be required, has approved the assignment and transfer of the Leasehold rights of the Company, granted by MIDC, in respect of the Industrial Plots together with the Factory building situated at E-51/1, E-51/2 and 52, MIDC, Tarapur, Boisar, Maharashtra to UPL Limited. The transaction is expected to be completed before 31 March 2020.

For and on behalf of the Board of Directors



Shalil Shroff
Managing Director
(DIN: 00015621)

Place: Mumbai
Date: 31 January 2020

BSR & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

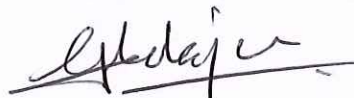
Telephone: + 91 124 719 1000
Fax: + 91 124 235 8613

Limited review report on unaudited quarterly standalone financial results and year-to-date results under Regulation 33 of the Listing Regulations

To
Board of Directors of Punjab Chemicals and Crop Protection Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Punjab Chemicals and Crop Protection Limited for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For BSR & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022



Gaurav Mahajan
Partner

Membership No. 507857
UDIN: 20507857AAAAAE9620

Place: Mumbai
Date: 31 January 2020

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended 31 December 2019

(Rs in Lakhs)

Particulars	Consolidated					
	Quarter Ended			Nine months Ended		Year Ended
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1 Revenue from operations	15,179	12,160	17,851	44,274	45,870	64,294
2 Other income	93	142	40	365	955	656
3 Total income (1+2)	15,272	12,302	17,891	44,639	46,825	64,950
4 Expenses:						
(a) Cost of materials consumed	8,828	7,449	12,247	25,609	29,191	39,742
(c) Purchases of stock in trade	52	182	160	361	465	583
(d) Changes in inventories of finished goods, stock in trade and work in progress	1,252	(923)	(1,000)	1,279	(1,314)	(412)
(e) Employee benefits expense	1,694	1,709	1,556	5,090	4,526	6,353
(f) Finance costs	380	394	305	1,308	1,315	1,726
(g) Depreciation and amortization expense	395	402	751	1,193	1,497	1,860
(h) Other expenses	-	-	-	-	-	-
- Power and fuel expense	1,142	1,081	1,161	3,391	3,533	4,672
- Others	1,687	1,554	1,979	5,217	4,791	6,712
Total expenses	15,430	11,848	17,159	43,448	44,004	61,236
5 Profit before exceptional items and tax (3-4)	(158)	454	732	1,191	2,821	3,714
6 Exceptional items (also refer note no. 4) - (Charges incurred) on one time settlement of borrowings	-	-	-	-	(838)	(838)
7 Profit before tax (5+6)	(158)	454	732	1,191	1,983	2,876
8 Tax expense	214	95	378	583	849	1,196
9 Profit for the year (7-8)	(372)	359	354	608	1,134	1,680
10 Other comprehensive income/(expense)						
(A) (i) Item that will not be reclassified to profit or loss	(10)	(11)	(11)	(31)	(16)	(181)
(ii) Income tax relating to items that will not be reclassified to profit or loss	3	1	4	8	6	63
(B) (i) Item that will be reclassified to profit or loss	(125)	103	(18)	(80)	14	107
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
11 Total comprehensive income for the year (9+10)	(504)	452	329	505	1,138	1,669
12 Earnings per equity share:						
- Basic and diluted (of Rs. 10 each) (not annualized)	(3.03)	2.93	2.89	4.96	9.25	13.70
13 Paid up equity share capital (Face value of share - Rs.10 each)	1,226	1,226	1,226	1,226	1,226	1,226
14 Reserves (excluding revaluation reserve)						7,860
See accompanying notes to the unaudited consolidated financial results						



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Notes:

1. The above Unaudited Consolidated Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 31 January 2020 and have been subjected to Limited Review by the Statutory Auditors. The review report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details, visit the Investor section of our website at www.punjabchemicals.com and Financial Results at Corporate section of www.bseindia.com and www.nseindia.com.
2. The Group is engaged in the single operating segment "Performance Chemicals".
3. On 01 April 2019, the Company has adopted Ind AS 116 "Leases", using the modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. Upon adoption of Ind AS 116 Company has recognized a right of use asset at an amount equivalent to the lease liability and consequently, there has been no adjustment to the opening balance of retained earnings as on 1 April 2019. In the Statement of Profit and Loss for the quarter and nine months ended 31 December 2019, the nature of expenses in respect of operating leases has changed from rent, in corresponding quarter and nine months ended 31 December 2018, to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.
4. On 10 July 2019, a fire broke out at one section of Agro Chemicals Division of the Company which caused damages to the Company's property, plant, equipment, capital work-in-progress and inventory and had disrupted the production process which had impacted the financial results for the previous quarter. The Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. In the previous quarter ended 30 September 2019, the Company had recorded a loss of Rs. 908 lakhs (Rs. 298 lakhs towards property, plant and equipment, Rs. 513 lakhs towards capital work-in-progress and Rs. 97 lakhs toward inventory) arising from the incident. Further, the Company had also recognised the insurance claim receivables to the extent of aforesaid losses. The aforementioned losses and the corresponding credit arising from insurance claim receivables had been presented on a net basis (Rs. Nil) under Exceptional items in the previous quarter. During the current quarter ended 31 December 2019, the Company has received an initial disbursement of Rs. 379 lakhs from the insurance company and Rs. 18 lakhs from sale of scraps. There are no disputes made by the insurance company against such claim.
5. During the quarter ended 30 September 2019, the Company had elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income tax for the quarter and nine months ended 31 December 2019 and re-measured its Deferred tax assets / liabilities basis the rate prescribed in the said section. The impact of this change will be recognised over the period from 01 July 2019 to 31 March 2020.
6. During the quarter ended 31 December 2019, the Directorate of Revenue Intelligence has asked the Company to re-ascertain the benefits claimed under the Merchandise Exports from India Scheme. Consequently, the Company has suo moto deposited Rs. 50 lakhs and will pay remaining liability as and when determined.



7. Subsequent to the quarter end, on 24 January 2020, the Board of the Company has, subject to the approval Maharashtra Industrial Development Corporation ("MIDC") and any other approval or execution of relevant agreement with UPL Limited as may be required, has approved the assignment and transfer of the Leasehold rights of the Company, granted by MIDC, in respect of the Industrial Plots together with the Factory building situated at E-51/1, E-51/2 and 52, MIDC, Tarapur, Boisar, Maharashtra to UPL Limited. The transaction is expected to be completed before 31 March 2020.

For and on behalf of the Board of Directors



A handwritten signature in blue ink, appearing to read "Shalil Shroff".

Shalil Shroff
Managing Director
(DIN: 00015621)

Place: Mumbai
Date: 31 January 2020

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

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Fax: + 91 124 235 8613

Limited review report on unaudited quarterly consolidated financial results and year-to-date results under Regulation 33 of the Listing Regulations

To

Board of Directors of Punjab Chemicals and Crop Protection Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Punjab Chemicals and Crop Protection Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31 December 2018 and the corresponding period from 1 April 2018 to 31 December 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financial results has become mandatory only from 1 April 2019.
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of a subsidiary, SD Agchem (Europe) NV.



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial information of a subsidiary included in the Statement, whose interim financial information reflect total revenues of Rs. 16 lakhs and Rs. 906 lakhs, total net profit/(loss) after tax of Rs. (7) lakhs and Rs. 119 lakhs and total comprehensive income/ (loss) of Rs. (7) lakhs and Rs. 119 lakhs, for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, as considered in the unaudited consolidated financial results.

The subsidiary is located outside India whose interim financial information has been prepared in accordance with accounting principles generally accepted in its respective country and which has been reviewed by other auditor under generally accepted auditing standards applicable in its respective country. The Company's management has converted the interim financial information of the subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of the subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and reviewed by us.

This interim financial information have been reviewed by other auditor whose report have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022



Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 20507857AAAAAF7196

Place: Mumbai
Date: 31 January 2020