



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Registered Office : SCO: 417-418, Sector 35-C, Chandigarh-160 022

NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that Extra-Ordinary General Meeting of the Shareholders of Punjab Chemicals and Crop Protection Limited will be held at PHD House, Sector - 31, Chandigarh 160 031 on 29th December, 2012 at 11.30 a.m. to transact the following business:

SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT the Report of the Board of Directors of the Company to the Shareholders regarding the accumulated losses at the financial year ended on 30th September, 2012, wherein there is a erosion of more than 50% of the peak net worth during the immediately preceding four (4) financial years, be and is hereby considered, approved and adopted.

RESOLVED FURTHER THAT in accordance with the requirements of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"), the Company do report the facts of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) of the aforesaid fact.

RESOLVED FURTHER THAT the Board of Directors of the Company is authorised to do all such acts, deeds, matters and things as it may deem necessary, desirable or expedient in relation thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby also authorised to delegate all or any of the powers therein conferred by this resolution to any Director or Directors or any Officer or Officers of the Company to give effect to this resolution.

RESOLVED FURTHER THAT a copy of the aforesaid resolution including the Explanatory Statement be sent to the BIFR."

NOTES :

1. A Member entitled to attend and vote is also entitled to appoint a proxy or proxies to attend and on a poll, vote instead of himself/herself and such proxy need not be a member of the Company. The proxy form duly completed and signed should reach the Company's Registered Office at least 48 hours before the time appointed for the meeting.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Notice set out hereinabove, is annexed hereto.
3. All documents including audited accounts for the period ended 30th September, 2012 referred to in the accompanying Notice are open for inspection at the Registered office of the Company on all working days except Saturday, Sunday and holidays between 10.00 a.m. to 11.30 a.m. till the date of Extra-Ordinary General Meeting or any adjournment thereof.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 1

Pursuant to Section 23 of the Sick Industrial Companies Act, (Special Provisions) 1985 ("SICA"), if the accumulated losses of an industrial Company as at end of any financial year have resulted in erosion of 50% or more of its peak net worth during the immediately preceding four financial years, it is mandatory for the Company to report the fact of such erosion, to the Board for Industrial and Financial Reconstruction ("BIFR") constituted under the Act, within a period of 60 days from the date of finalization of the audited accounts of the Company, for the relevant financial year. Further, in accordance with Section 23(1) of SICA, the Company is required to hold general meeting of the Shareholders of the Company for noting such erosion.

The accumulated losses amounting to Rs. 54.19 Crores after adjustment with balance of General Reserve up to the period ended 30th September, 2012 as against the peak net worth of Rs. 106.36 Crores, in the immediately preceding four (4) financial year's shows that more than 50% of the peak net worth of the Company has eroded. Therefore, the provisions of the said Act have become applicable to the Company.

Therefore, the provisions of the above said Act, have become applicable. In order to comply with the provisions of the above Act, this Extra Ordinary General Meeting is convened to consider, approve and adopt the enclosed Report of the Board of Directors on such erosion and revival measures being taken.

The Board recommends the proposed resolution for your approval as an ordinary resolution.

None of the Directors of the Company is in any way concerned or interested in the said resolution except to the extent of their shareholding in the Company.

The Report of the Board of Directors as to such erosions and the causes of erosion is annexed along with the Notice.

For and on behalf of the Board of Directors

Sd/-

(Shaili S Shroff)
Managing Director

Place : Mumbai

Date : November 29, 2012



**REPORT OF THE BOARD OF DIRECTORS OF PUNJAB CHEMICALS AND CROP PROTECTION LIMITED (THE COMPANY)
TO THE MEMBERS OF THE COMPANY PURSUANT TO SECTION 23 (1) (b) OF THE SICK INDUSTRIAL COMPANY
(SPECIAL PROVISIONS) ACT, 1985**

Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") provides that if the accumulated losses of an Industrial Company as at the end of any financial year have resulted in erosion of 50% or more of its peak net worth during the immediately preceding four financial years, the Company shall, within a period of 60 days from the date of finalization of the duly audited accounts of the Company for the relevant financial year, report the fact of such erosion to the Board for Industrial and Financial Reconstruction constituted under the Act ("BIFR") and hold the General Meeting of the Shareholders of the Company for considering such erosion. The Company is an Industrial Company as defined in the said Act.

The accumulated losses amounting to Rs. 54.19 Crores after adjustment with balance of General Reserve up to the period ended 30th September, 2012 as against the peak net worth of Rs. 106.36 Crores, in the immediately preceding four (4) financial year's shows that more than 50% of the peak net worth of the Company has eroded. Therefore, the provisions of the said Act have become applicable to the Company.

REFERENCE TO BIFR

On the basis of the audited accounts for the period and financial year ended 30th September, 2012, the accumulated losses up to that date stands at Rs. 89.87 Crores, thereby eroding the peak net worth of the Company by more than 50%. The Company, therefore, has to report this fact to the Board for Industrial and Financial Reconstruction (BIFR) under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

The Board of Directors in their meeting held on 29th November, 2012 analyzed the reasons for such erosion and has come to the conclusion that the situation is controllable and further erosion in the net worth of the Company may be avoided by the various remedial measures already taken / to be taken by the management of the Company. The major causes of erosion of net worth and the remedial measures taken / to be taken are explained below:

CAUSES AND REMEDIAL MEASURES

Sr.No.	Causes	Remedial Measures
1.	There were losses in Overseas Subsidiary Companies because of adverse international market scenario and these losses were growing.	<p>i) The Company has disinvested in one of the step down subsidiary Company in Europe to control further losses and to reduce debts.</p> <p>ii) The Company has accounted for the diminution in the value of investment in another subsidiary Company to reflect the true picture.</p> <p>These are one time provisions /expenses and the steps are being taken to check further losses in the Subsidiary Companies.</p>
2.	Fire at Agro Chemicals Division, Derabassi on 18th April, 2009 resulting in heavy damages to the Stocks, building, plant & machinery and interruption of the business. The aggregate loss of assets was estimated at Rs. 9.80 Crores and the insurance claim received was of only Rs. 7.48 Crores.	It was an exceptional loss which was partly compensated for loss of assets & interruption of business by the insurance claim. The operations of this division have been restored.
3.	Disruption in manufacturing activities of Agro Chemicals Division resulted into production and turnover loss. Consequently, there was drastic decline in performance and profitability.	The plant of Agro Chemicals Division, Derabassi has been fully repaired, revamped for smooth running of the operations and achieving improved performance and profitability.
4.	Part compensation of the fire loss by the Insurance Company resulting in additional financial loss and liquidity crunch.	The liquidity situation of the Company is improving by infusion of additional funds.
5.	Exports of the Company were hit due to subdued European market.	The Company has entered into a strategic long term sales contracts of few of agro chemical products.
6.	The Company suffered heavily due to exchange Fluctuations in Rupee vis-à-vis Euro and USD.	During the period 2008 to 2010, the Company has suffered exchange fluctuation losses. These are also exceptional losses and the Company expects that with the improvement in World Economy, the situation of such contingencies will be under control.



7.	Shortage of working capital funds lead to inability in procurement of raw materials, thereby affecting the production. It adversely impacted the profitability of the Company.	In September, 2012, Rs. 50.00 crores have been infused through an additional Equity Share Capital at premium. The part of which will be used for working capital. The CDR package approved on 3rd August, 2012 has enabled the deferment of payment of instalment and interest for a certain period, reduction in the rate of interest and grant of need based working capital limits. These concessions should provide some relief.
8.	Adverse operating and financial leverage.	The Company is undertaking cost cutting measures to the extent feasible to improve the operating and financial performance.

In view of the aforesaid and to comply with the statutory requirement, a special business as set out in the Notice is proposed for consideration of the Members.

None of the Director of the Company is interested in the proposed resolution.

For and on behalf of the Board of Directors

Sd/-

(Shaili S Shroff)

Managing Director

Place : Mumbai

Date : November 29, 2012



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Regd. Office : SCO 417-418, Sector 35-C, Chandigarh-160 022

D.P. ID*	
Client ID*	

L.F. NO.	
No. of Shares held	

ATTENDANCE SLIP

I/We hereby record my/our presence at the Extra-Ordinary General Meeting of the Company held at PHD House, Sector - 31, Chandigarh-160 031 on Saturday, the 29th December, 2012 at 11.30 a.m.

NAME OF THE SHAREHOLDER(S) (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

* Applicable for investors holding shares in Electronic form.

NOTES:

1. You are requested to sign and hand over this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend 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 time for holding the Meeting.



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

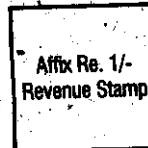
Regd. Office : SCO 417-418, Sector 35-C, Chandigarh-160 022

D.P. ID*	
Client ID*	

L.F. NO.	
No. of Shares held	

PROXY FORM

I/We of
 being a Member/Members
 of the above named Company, hereby appoint of
 or failing him as my/our Proxy to
 attend and vote for me/us on my/our behalf at the Extra ordinary General Meeting of the Company, to be held on Saturday, the 29th December, 2012 at 11.30 a.m. and
 at any adjournment thereof.



Signature of the Shareholder

Date

BOOK-POST

If Undelivered, please return to:
PUNJAB CHEMICALS AND CROP PROTECTION LIMITED
 Registered Office:
 SCO: 417-418, Sector 35C, Chandigarh-160 022