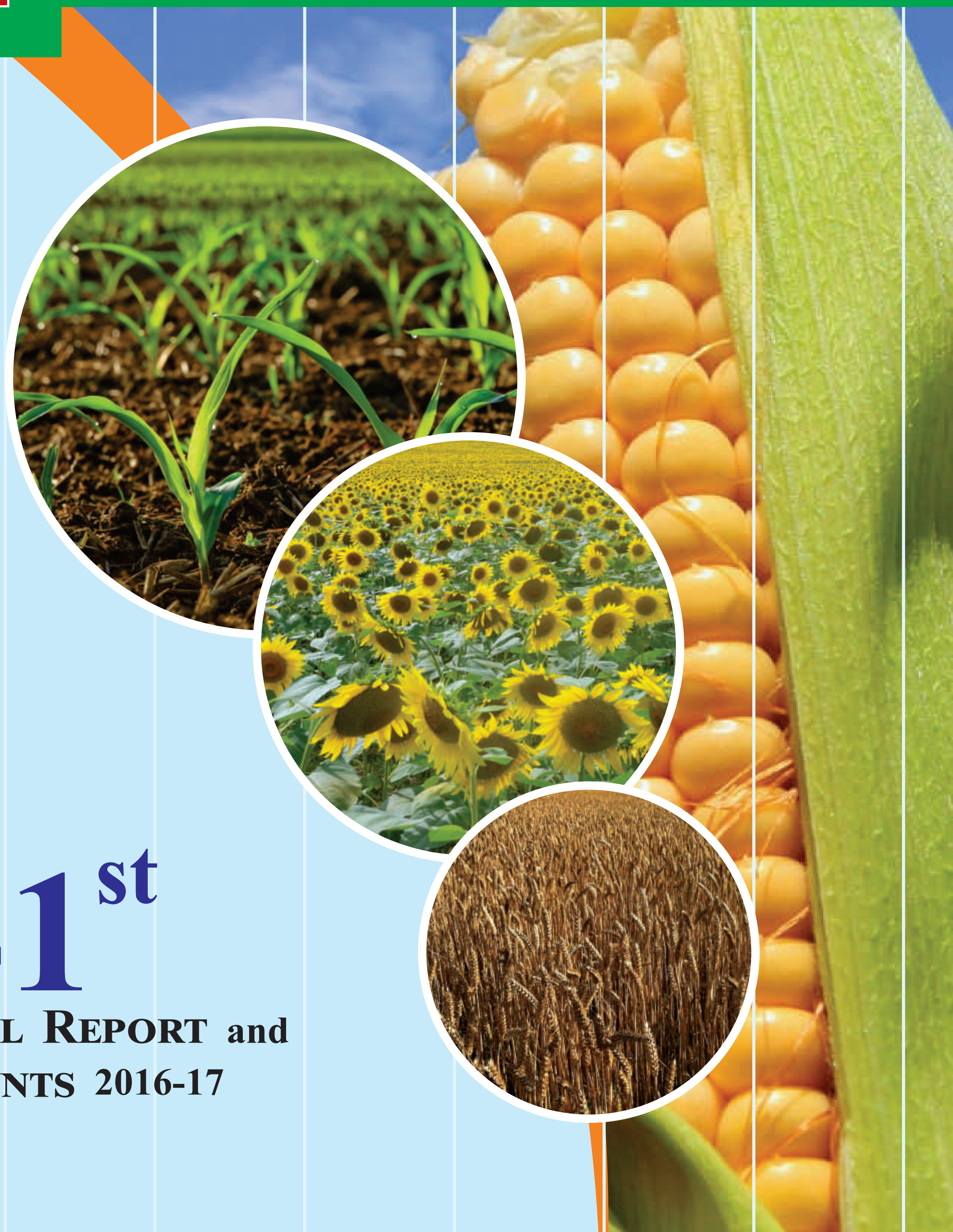
PUNJAB CHEMICALS AND CROP PROTECTION LIMITED



41st

Annual Report and Accounts 2016-17

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 my immense pleasure to communicate with you through this column and share the working, inform the steps taken on various matters and also apprise of the vision of the Company for the year ahead in view of present domestic and global scenario.

We firmly believe that our country is on the path of exponential growth and rapid development. The Government has introduced various reforms to ease the way of doing business without much bureaucratic hindrances. The policies are being formed to attract investment in the manufacturing sector from the domestic as well as international promoters. These steps will help to make the model of 'Make in India' successful. The multi-dimensional and targeted thrust to unleash the energies of the nation and empowerment to India's youth, would ensure rapid all-round economic growth and prosperity. Policies and reforms initiated by NITI Aayog for generating millions of job opportunities, infrastructure development for the better living standard of fellow countrymen in both urban and rural areas are bound to bring overall development.

The NITI Aayog has also proposed several reforms in the agriculture sector, which forms 15 percent of country's GDP. Moreover, 60 percent of rural household rely on agriculture as their principle means of livelihood. The planned reforms in the agriculture sector are like direct purchase of agriculture produce by private players from farmers, direct sale by farmers to end-consumers, single trader license, more allocation of funds to irrigation facilities, providing fertilizer, seeds and pesticides, etc. from the government sponsored centers. The vision of the Central Government is to devise strategies to double the income of farmers by 2022. Therefore, there has been a major thrust on the development of agriculture sector to achieve the targeted growth of the country.

The production and use of agrochemicals are the integral part of agriculture sector and also contribute substantially to export earnings. India is the fourth largest global producer and exporter of agrochemicals. The reason for more exports of agrochemicals are India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, manufacturing capacity, better global price and strong presence in the generic pesticide manufacturing. These capabilities and technical advancement have given the confidence to global players for direct import and avail toll manufacturing of various agrochemicals.

Today, Indian agrochemical companies are looking to replicate the success that the country's generic drug makers have had with medicines going 'off patent'. Agro chemicals worth $4.1 billion are expected to go 'off patent' by 2020 as per the report from the Tata Strategic Management Group of 2016. This is bound to open up new avenues for the Indian agrochemical companies because of the aforesaid reasons. The Indian companies are preparing themselves and have started the process of getting molecules registered in several countries keeping in view their local requirement. Indian Companies have the resources and capabilities to produce world class agrochemicals as per their standard.

Your Company is already exporting major agrochemicals and looking forward to enhance the export further to become a part of this growth story. The experience in manufacturing agrochemicals for last many years, knowledge of international market and technical expertise available to adopt new processes and manufacturing new agrochemicals are some of the positives that the Company possess. However, there is a need to build due capacities and intensify the focus on specific agro chemicals to generate more revenue to the Company. Let me assure that your Company is fully prepared to become a part of this growth story.

During the year under review, your Company continues to focus more on agrochemicals being the backbone of the Company. The turnover of agrochemicals increased by 13 percent from the previous year in the financial year 2016-17. It forms 62 percent of the total revenue generated for the Company. The plants were almost running in full capacity. The production and sale of other chemicals have also increased. I am happy to share the increase in turnover of Pharma Division by 32% from the last year. There was also quantum jump in the toll manufacturing during the year in both the prime manufacturing sites. Company's better working from last year in terms of turnover is because of the steps taken by the management like utilization of available facilities with maximum possible efficiency and producing quality products with timely supply.

Other key development during the year was of pruning of debt. The Company has entered into One Time Settlement (OTS) with the Central Bank of India. SD Agchem (Europe) NV, a wholly owned subsidiary of the Company, has also successfully completed OTS with State Bank of India, Antwerp. The details of both OTS are explained in the Directors' Report. In line with the decision already taken, the Company is divesting its non- performing assets and businesses. Accordingly, as approved by the members of the Company, the efforts to divest Sintesis Quimica (SQ) are continuing because of no change in the working situation. Financial results of SQ continue to dent the consolidated financial results of the Company as well as affecting the net worth on consolidation basis.

It is a matter of satisfaction that your Company has now recovered and its Indian operations are poised to grow fast with renewed energy and committed efforts of all concerned. The strategy adopted in the Company for a long term tie up with Indian, International and Multinational Companies through direct sales have yielded results. They have shown confidence in our capability and may come forward with more products to provide us better opportunities.

I, on behalf of the Board of Directors and the management would like to compliment all our customers, suppliers, employees and other associates like banks for their becoming part of our journey. Their continued support and confidence in our capability have encouraged us to work more diligently and professionally.

Last, but not the least, our sincere thanks to all of you, the shareholders for keeping faith in the Board and the Management.

With best Wishes,

Mukesh D Patel
Chairman

COMPANY INFORMATION

CHAIRMAN EMERITUS	GHATTU RAMANNA NARAYAN
CHAIRMAN	MUKESH DAHYABHAI PATEL
BOARD OF DIRECTORS	SHALIL SHASHIKUMAR SHROFF, Managing Director CAPT. SURJIT SINGH CHOPRA (Retd.) VIJAY DILBAGH RAI SINDHU SETH (SMT.) SHEO PRASAD SINGH SHIVSHANKAR SHRIPAL TIWARI AVTAR SINGH, Director (Operations & Business Development)
SR. V.P. (FINANCE) & COMPANY SECRETARY	PUNIT KUMAR ABROL
CHIEF FINANCIAL OFFICER	VIPUL JOSHI
BANKERS	BANK OF BARODA EXPORT-IMPORT BANK OF INDIA ALLAHABAD BANK UNION BANK OF INDIA CENTRAL BANK OF INDIA
AUDITORS	S R B C & CO. LLP Chartered Accountants
REGISTERED OFFICE	SCO: 183, FIRST FLOOR, SECTOR-26 (EAST) MADHYA MARG, CHANDIGARH - 160 019 Tel: 0172-5008300/5008301, Fax: 0172-2790160 Email: info@punjabchemicals.com Website: www.punjabchemicals.com
CORPORATE OFFICE	PLOT NO. 645-646, 5TH FLOOR, OBEROI CHAMBERS II NEW LINK ROAD, ANDHERI (WEST), MUMBAI - 400 0 53 Tel: 022-26747900 Fax: 022-26736193 Email: enquiry@punjabchemicals.com
MANUFACTURING UNITS	AGRO CHEMICALS DIVISION - PCCPL, DERABASSI PHARMA DIVISION - ALPHA DRUGS, LALRU INDUSTRIAL CHEMICALS DIVISION, PUNE
REGISTRAR & SHARE TRANSFER AGENT	ALANKIT ASSIGNMENTS LTD., RTA DIVISION, ALANKIT HEIGHTS 1E/13, JHANDEWALAN EXTENSION, NEW DELHI - 110 055 Tel: 011-42541234/23541234, Fax: 011-41543474 Email: rta@alankit.com Website: www.alankit.com

CONTENTS

41ST ANNUAL GENERAL MEETING

Thursday,14th September, 2017 at 10.00 A.M.
PHD House, Sector – 31, Chandigarh
Book Closure Dates
5th September, 2017 to 14th September, 2017

A REQUEST

We are sure you will read with interest the Annual Report for the financial year 2016-17. 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 atleast 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 AND CROP PROTECTION LIMITED

CIN No. : L24231CH1975PLC003603
Registered Office: SCO: 183, Sector- 26, Madhya Marg, Chandigarh- 160 019.
Tel No.:0172-5008300,5008301; Fax: 0172-2790160
E-mail:info@punjabchemicals.com; website: www.punjabchemicals.com

NOTICE

Notice is hereby given that the 41st (Forty One) Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on **Thursday, the 14th September, 2017 at 10.00 a.m at PHD House, Sector-31, Chandigarh-160031** 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, 2017 including the audited Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the financial year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Sindhu Seth (DIN No. 00109298), who retires by rotation and being eligible, offers herself for re-appointment.
3. **To appoint the Statutory Auditors of the Company 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 other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s B S R & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 01248W/W-100022) be and is hereby appointed as the Statutory Auditors of the Company in place of M/s S R B C & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/E300003), the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 46th AGM to be held in the calendar year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be recommended by the Audit Committee and determined by the Board of Directors of the Company."

Special Business:

4. **To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2018.**

   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 as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, 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. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the business as set out in Item Nos. 3 and 4 above and the relevant details of the Director seeking re-appointment/appointment under Item No. 2 above as required by Regulation 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards – 2 on General Meetings issued by The Institute of Company Secretaries of India are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH 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 resolution/ 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 ten percent (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 Member.

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 Authorized 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 **Tuesday, September 5, 2017 to Thursday, September 14, 2017** (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. 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 Saturday and Sunday, during business hours upto the date of the Meeting.
12. 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.
13. The Securities 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 DPs 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.
14. 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 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.
15. 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.
16. Electronic copy of the Notice of the AGM alongwith the Annual Report for the Financial Year (FY) 2016-17 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 2016-17 are being sent through the permitted mode. Members may also note that the Annual Report for the FY 2016-17 will also be available on the Company's website www.punjabchemicals.com for their download.
17. **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.**
18. The Company has transferred the unpaid or unclaimed dividend declared upto FY 2008-09 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on September 9, 2016 (date of previous Annual General Meeting) on the website of the Company (www.punjabchemicals.com) as also on the website of the Ministry of Corporate Affairs.

    Attention of the Members is also drawn to the provisions of Section 124 (6) of the Act which require a Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more.

    In accordance with the aforesaid provision of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated the necessary action to ascertain the shareholders who have not claimed their last dividend declared by the Company for the FY 2008-09. Necessary linkages will be posted on the website of the Company regarding the details of shares liable for transfer in the name of IEPF Authority in due course of time.
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 Listing Regualtions, 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.**

The instructions for shareholders voting electronically are as under:

i) The voting period begins on **Monday, September 11, 2017 at 9:00 a.m. (IST)** and ends on **Wednesday, September 13, 2017 at 5:00 p.m. (IST)**. 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. **Thursday, September 7, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii) The shareholders should log on to e-voting website '**www.evotingindia.com**' during the voting period.

iv) Click on "**Shareholders" tab**.

v) Now, enter your User ID:

   a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID

   b) For CDSL:- 16 Digits Beneficiary ID

   c) Members holding shares in Physical Form should enter Folio Number registered with the Company

vi) Next enter the Image Verification as displayed and Click on 'LOGIN'.

vii) 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.

viii) If you are a first time user follow the steps given below:

PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • 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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB) or Dividend Bank Details	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 as mentioned in instruction (v)

ix) After entering these details appropriately, click on "**SUBMIT**" tab.

x) 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 the 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.

xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii) **Select the EVSN** of Punjab Chemicals and Crop Protection Limited.

xiii) 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.

xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv) 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.

xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii) 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.

xix) **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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xx) Note for Non-Individual Shareholders and Custodians:

a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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.

xxi) 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

20. 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 i.e. Thursday, the 7th September 2017. 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.

21. 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

22. Shri S. K Sharma, Practicing Company Secretary (C.P No. 3864) has been appointed as the 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 result 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.

26. **The route map showing directions to reach the venue of the AGM is annexed.**

By order of the Board of Directors

Date: June 14, 2017 — **Punit K Abrol**
Place: Chandigarh — Sr. V.P. (Finance) & 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

In terms of the provisions of Section 139 of Companies Act, 2013 (the "Act"), no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The Act further prescribes that the Company has to comply with these provisions within three years from the commencement of the Act.

M/s. S R B C & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/E300003), were appointed as the Statutory Auditor of the Company at the 38th Annual General Meeting (AGM) held on September 23, 2014 to hold office till the conclusion of forthcoming 41st AGM for a period of three years. M/s. S R B C & Co. LLP and its affiliates have been in office for 10 years and in compliance with the provisions of the Act, the Company will have to appoint a new auditor in their place.

Pursuant to the recommendation of the Audit Committee, your Board recommends the appointment of M/s. B S R & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 101248W/W- 100022) as the Statutory Auditor of the Company in place of M/s. S R B C & Co. LLP to hold office from the conclusion of this AGM until the conclusion of 46th AGM to be held in the calendar year 2022 at such remuneration as recommended by the Audit Committee and fixed by the Board of Directors of the Company.

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.

M/s. B S R & Co. LLP, Chartered Accountants have confirmed that their appointment 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.

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 of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar as the Cost Auditor of the Company to conduct audit of the cost records of all the Divisions of the Company for the financial year 2017-18 on a consolidated remuneration of Rs. 90,000/- (Rupees Ninety thousand only) plus service tax as applicable and reimbursement of out-of-pocket 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, 2018.

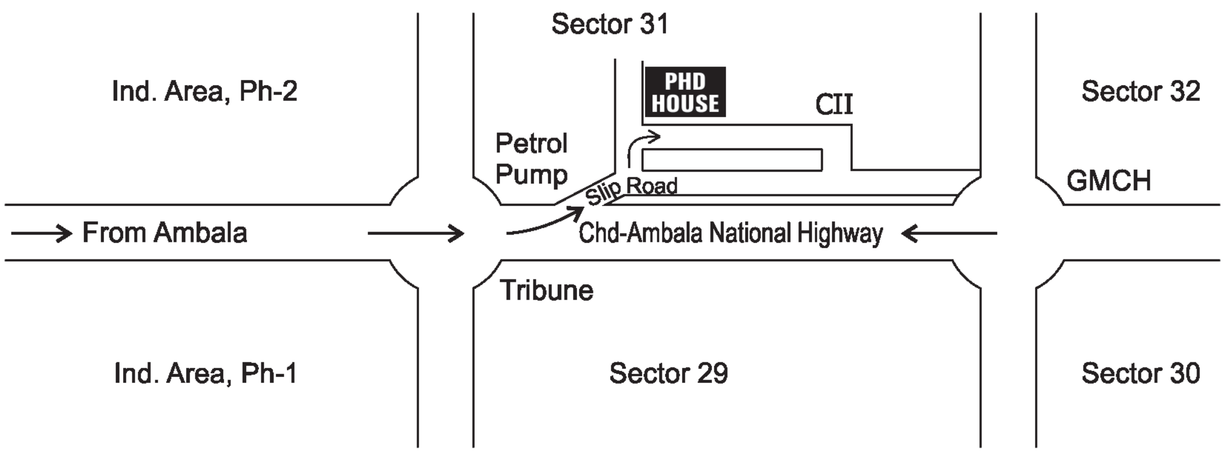
None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

DETAILS OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT AT THE AGM PURSUANT TO REGULATIONS 26(4) AND 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARDS – 2 ON GENERAL MEETINGS:

Name of the Director	Smt. Sindhu Seth
DIN	00109298
Date of Birth	04.02.1957
Age	60
Date of first appointment	29.05.2014
Qualifications	M.A. Economics
Expertise in specific functional areas	Rich experience in the field of HRD and managing the affairs of few charitable Trusts
Relationships between Directors inter-se	Nil
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Nil
Membership of Committees/ Chairmanship in other Public Limited Companies	Nil
No. of Board Meeting attended during the year 2016-17	5
No. of shares held	Nil

ROUTE MAP TO THE AGM VENUE



DIRECTORS' REPORT

TO THE MEMBERS,

1. Your Directors are pleased to present the 41st Annual Report covering the business and operations along with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2017.

2. FINANCIAL RESULTS:

The financial performance of your Company for the year ended March 31, 2017 is summarized below:

(Rupees in Lac)

Particulars	Consolidated*		Standalone	
	2016-17	2015-16	**2016-17**	2015-16
Revenue from Operations and Other Income	**53227**	55404	**43655**	36930
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	**2691**	5671	**3451**	3816
Depreciation/Amortisation	**1606**	1675	**1431**	1544
Finance Cost	**2701**	4966	**1807**	2147
Profit / (Loss) before Tax & Exceptional item	**(1616)**	(970)	**213**	125
Exceptional (Expenses) / Income	**-**	2352	**-**	3446
Profit / (Loss) before Tax (PBT)	**(1616)**	1382	**213**	3571
Tax Expenses:				
Pertaining to current period	**-**	167	**-**	122
Mat Credit entitlement	**-**	(113)	**-**	(113)
Excess / Short provision for earlier years	**(46)**	-	**-**	-
Total Tax Expenses	**(46)**	54	**-**	9
Profit / (Loss) after Tax (PAT)	**(1570)**	1328	**213**	3562
Earning per share (EPS) Basic and diluted (in Rs.) (not annualized)	**(12.80)**	10.83	**1.74**	29.05

Notes:

a) *Consolidated accounts consist of standalone and overseas subsidiary Companies and Joint Venture Company with the proportion of shareholding by group.

b) Figures for the previous period have been regrouped to the extent necessary.

3. DIVIDEND:

Pursuant to proviso to Section 123(1) of the Companies Act, 2013, a Company cannot declare dividend unless the carried over loss for the earlier years and the depreciation not provided, are set off against the profits of the current year. Therefore, the Directors of the Company deeply regret their inability to recommend any dividend as the profit for the year is not enough to set off the accumulated losses of the earlier years.

4. TRANSFER TO RESERVES:

For the same reason as mentioned above no amount could be transferred to the General Reserve Account.

5. STANDALONE OPERATIONS:

The Directors are pleased to state that the revival steps taken by the Company's Management specially to focus on the agrochemicals have shown positive results in the year under review. The Revenue from Operations on Standalone basis during the year was Rs. 411 crore with a net profit of Rs. 2.13 crore as against the revenue of Rs. 357 crore and a profit of Rs. 35.62 crore in the previous year with the exceptional income amounting to Rs. 34.46 crore on account of one time settlement with State Bank of India. The growth in business is responsible for the improved results.

The Agrochemicals Division continues to be the backbone of the Company. The turnover increased by 13% in the current year. The operational workings of the Pharma Division also improved as new products were introduced into the range and more job work was undertaken. The turnover of Pharma Division increased by 32%. The workings of Industrial Chemicals Division also showed better results.

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, the operational results were as follows:

(i) SD Agchem (Europe) NV:

The total income was Rs. 5.30 crore with net profit of Rs. 1.29 crore, compared to the Income of Rs. 19.64 crore and Profit of Rs. 8.98 crore in the previous year.

The overdue export receivables from SD Agchem have been capitalized and converted into investment as explained separately in the Report. Necessary accounting adjustments have been made to take this conversion into effect.

Further the subsidiary also successfully completed One Time Settlement of all its debt with State Bank of India, Antwerp.

(ii) Sintesis Quimica, S.A.I.C, Argentina (SQ):

The total revenue of this Company during the period under review was Rs. 111.98 crore with a net loss of Rs. 21.60 crore compared to revenue of Rs. 169.73 crore with a net loss of Rs. 41.06 crore during the previous year.

Your Company is negotiating with a potential buyer to divest SQ, the details are separately provided in the Report.

(iii) STS Chemicals (UK) Limited (STS):

There was no commercial activity in the said company throughout the year. However, due to administrative expenses, the loss during the period was Rs. (24) lacs against the loss of Rs. (65) lacs during the previous year. Your Company has planned to divest STS as detailed in Point 7(c).

(iv) During the year, the Company has divested its entire stake of 45% in Stellar Marine Paints Limited, a joint venture. Accordingly, its accounts are consolidated upto the date of divestment i.e. November 11, 2016.

In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of all the subsidiaries in Form AOC-1 is annexed to the report as **Annexure 1.**

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company www.punjabchemicals.com. These documents will also be available for inspection during business hours at the Registered Office of the Company.

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:

Your Company has prepared the Consolidated Financial Statements in accordance with Section 133 of the Companies Act 2013 and Regulation 33 of the Listing Regulations read with Accounting Standard (AS) 21 (Consolidated Financial Statements), AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and AS 27 (Financial Reporting of Interest in Joint Ventures) notified by the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules 2016. 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. 532 crore with a net loss of Rs. 15.70 crore against the total income of Rs. 554 crore and net profit of Rs. 13.28 crore in the previous period, having exceptional income of Rs. 23.52 crore.

8. KEY DEVELOPMENTS:

Major steps taken by the Management for the revival of the Company are summarized below:

a) Pruning of Debt:

i) During the year, the Company continued to prune its debt. The Company entered into One Time Settlement (OTS) with the Central Bank of India for the outstanding dues including interest and waiver of FITL principal amount. As per the terms of OTS, the Company has settled to pay Rs. 16.03 crore against the total outstanding of Rs. 19.71 crore (both interest and FITL principal amount). The company has paid the initial amount of Rs. 4.01 crore, being 25% of the OTS offer, to the Central Bank of India and the rest will be paid in the current year (2017-18). The necessary adjustment in the books of account will be carried out after the compliance of all conditions as specified in the OTS have been fulfilled.

ii) SD Agchem (Europe) NV, a wholly owned subsidiary of the Company, has also successfully completed OTS with State Bank of India, Antwerp for settling its total dues of $2.66 million in respect of the restructured facilities availed for a compromise amount of $1.850 million.

b) Conversion of Bills receivable into investment:

During the year, the Company, in accordance with the approval received from Reserve Bank of India, has capitalized its export overdues of 'SD Agchem' consisting of Euro 34,76,978 and USD 87,500 valued at Rs. 25,94,19,394/- into an investment in the subsidiary. This amount was utilized to acquire the stake in the step-down subsidiary, Sintesis Quimica SAIC, Argentina. Accordingly, SD Agchem has allotted 5,789 shares of Euro 615 each to the Company.

c) **Divestments:**

As communicated in the earlier Annual Reports, the Company has been exploring opportunities to divest its non-performing assets. In that process, the following actions have been taken during the year under review.

i) Sintesis Quimica S.A.I.C, Argentina, ('SQ'), now subsidiary of STS Chemicals (UK) Limited, [earlier subsidiary of 'SD Agchem'], because of the unfavorable import and monetary policies of the Argentine Government and lack of working capital coupled with high inflation and complicated labour laws, has been suffering huge losses in its operations for many years. Even after reorganization of its debt under Chapter 11 of the United States' Bankruptcy Code with the concerned court in a term and form established under the Argentinean Law #24422 of Reorganization and Bankruptcy Law, it has not been able to pay off its liabilities. The results of SQ have been adversely affecting the consolidated financial results of the Company as well as the net-worth. A buyer (not a related party) had expressed interest in acquiring SQ. To meet the requirements of the Argentine Law the deal has to be done in two phases:

1. In the first phase, 97.8% shareholding of SQ held by SD Agchem, has been transferred to STS Chemicals (UK) Limited ('STS'), at € 1, making STS a 99.99% shareholder of SQ. SD Agchem continues to hold 1 share of SQ, for and on behalf of STS again as required by the applicable law.

2. In the second phase, the Company will sell its entire shareholding in STS to the prospective buyer, and for that purpose, the Company will enter into suitable agreement for sale. Upon completion of the proposed transaction, STS will cease to be a WOS of the Company.

   The Company has already posted Postal Ballot Notices along with the forms (physical as well as e-mail) for seeking the approval of the Members.

ii) During the year under review, the Company also disposed off its 45% stake in Stellar Marine Paints Ltd. ('Stellar'), a Joint Venture with Viachem LLC and Mr. B.G. Sampat.

d) **Change of Registered office:**

To reduce recurring expenses, the Company had earlier shifted its Registered Office to a smaller premise in Chandigarh. Now, for ease of administration, the Company has decided to shift the Registered office from the Union Territory of Chandigarh to State of Punjab at Agro Division located at Derabassi, District Mohali, subject to the approval from the regulatory authorities and the Members of the Company.

The Company has already posted Postal Ballot Notices along with the forms (physical as well as e-mail) for seeking the approval of the Members.

9. 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 Report.

10. OUTLOOK:

The Indian agriculture sector remains the backbone of the nation's economy, accounting for about 15 percent of the country's GDP. Nearly 60 percent of rural households rely on agriculture as their principal means of livelihood. To support continued growth, the agrochemical industry sector is developing strategies to leverage opportunities involving insecticides and fungicides, new labor-saving herbicides, more products moving off-patent, and innovations in agrochemical solutions. Backed by the government policies such as Make in India and tax reform measures, the crop enhancement solutions are being developed based on best global practices and the latest technologies. Properly designed and executed, current initiatives can help India become a global manufacturing hub of quality crop protection chemicals.

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

11. FINANCE:

The Management has taken various steps, as detailed in the foregoing paragraphs to improve the liquidity position of the Company.

As stated earlier, Central Bank of India has accepted the proposal for One Time Settlement (OTS) for the debts of the Company. The necessary adjustment in the book of accounts will be carried out after the compliance of all conditions as specified in the said OTS.

12. PUBLIC DEPOSITS:

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

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

b) Independent Directors:

As required under the 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 25th May, 2017.

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, Smt. Sindhu Seth (DIN:00109298), woman Director of the Company retires by rotation at the forthcoming Annual General Meeting. Smt. Sindhu Seth, being eligible, has offered herself for re-appointment.

The Board of Directors recommends re-appointment of Smt. Sindhu Seth as Director of the Company, liable to retire by rotation.

The brief resume and other details relating to her, as stipulated under Regulation 36(3) of SEBI (LODR) Regulations, 2015, are furnished in the Notice convening the Annual General Meeting forming part of the Annual Report.

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

14. 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 fiscal year 2017-18 has been paid to these Exchanges.

15. ENVIRONMENT 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. The steps to control wastes and emissions from the plants are regularly monitored. The Company has the proper Effluent Treatment Plants along with the incinerator to treat the waste materials. In addition to this, the Company has also tied up with Common Effluent Treatment Plants set up in the nearby areas of the manufacturing sites.

16. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY:

i) Welfare Activities:

The Company through SDS Memorial Charitable 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. This year 71 people including employees donated blood on that day.

ii) Corporate Social Responsibility:

Company's Corporate Social Responsibility (CSR) Policy has been posted on the website 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. 44 lac based on the average net profit of the last three years on various activities for social welfare. Accordingly, the activities like upgradation of schools, healthcare by way of medical camps including eye operations, sanitation and drinking water facilities in schools were undertaken. Rs. 43 lac have been spent on these activities. The balance unspent amount of Rs. 1 lac due to administrative reasons will be spent during the financial year 2017-18.

The detailed report as per Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 has been attached as ***Annexure 2.***

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

17. RESEARCH & DEVELOPMENT AND QUALITY CONTROL:

The activities of R&D are continuously undertaken to improve upon the existing processes, decrease of effluent load and to develop new products and by-products.

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

18. INSURANCE:

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

The Company has also taken Directors and Officers insurance policy.

19. EMPLOYEES AND INDUSTRIAL RELATIONS:

The Company has the cordial, harmonious and healthy relations with all level of the employees of the Company. The Company has various Employees' Welfare Schemes such as provision of medical facilities in the campus, Co-operative stores, etc. Sports and cultural activities are also given due importance.

The Board of Directors placed on record their appreciation for the sincere efforts and commitment of the employees. This has been largely responsible for the turnaround in the Company. Their sense of belongingness is noteworthy and appreciated.

20. REGISTRAR AND SHARE TRANSFER AGENT:

M/s Alankit Assignments Ltd., RTA Division 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.

21. 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.

22. NUMBER OF MEETINGS OF THE BOARD:

The Board met eight (8) times during the Financial Year 2016-17, 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.

23. 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, 2017, 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, 2017 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.

24. 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, 2017, the Board consists of 8 Members, 2 of whom are Executive Directors and 3 are Independent Directors and it includes 1 Woman Director as required in the provisions of the Companies Act, 2013. 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 a**nd can be assessed at the weblink http://punjabchemicals.com/companypolicy.html.

25. AUDITORS' REPORTS:

a. Statutory Auditor Report:

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

However, the Statutory Auditors have provided the following qualification in their Report on Consolidated Financial Statements:

"As referred in Note 42 of the attached Consolidated Financial Statement, in case of Sintesis Quimica S.A.I.C., a subsidiary of the Holding Company not audited by us, the other auditor have issued adverse audit opinion indicating that the financial statements of the said subsidiary have been prepared on considering the fundamental assumption of going concern which doesn't hold good, and the financial statements should have been prepared at their net realizable value and which is reproduced as under:

In our opinion, the Financial Statements referred to in paragraph 1.1 reasonably present in all material respects the information of Sintesis Quimica, S.A.I.C.'s Financial Position as of March 31, 2017, in accordance with Argentine GAAP, if the Company is considered to be going concern. However there are substantial doubts about the ability of the Company to continue its operations and business viability. The Financial Statements referred to in paragraph 1.1 does not include the adjustments in assets and liabilities to value them at their net realizable value, as would correspond if the Company enter in a state of compulsory liquidation.

The operations and financial affairs of Sintesis Quimica, S.A.I.C are material and having a pervasive effect on the Company's consolidated financial results as at and for the year ended March 31, 2017.

In our opinion the assets and liabilities should have been consolidated at net realizable values and accordingly assets and liabilities of Sintesis Quimica, S.A.I.C are overstated at Rs. 12,160 lac and Rs. 12,236 lac respectively. However, we are informed by the Management that such final net realizable values are yet to be determined at this stage."

The Management of the Company took note of this qualification/ remark, but opined after detailed study that Sintesis Quimica, S.A.I.C, Argentina, step down subsidiary is continuing its business operations as at March 31, 2017. Further, the Company is negotiating with a potential buyer for divesting the said subsidiary and it is in the process of seeking approval from the members of the Company through Postal Ballot. At this stage, the impact of overstatement of assets and liabilities are not determinable.

b. Secretarial Audit Report:

The Secretarial Audit Report for the financial year 2016-17 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.

26. 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 are provided in the Note 34 to the standalone financial statement.

27. 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 prior 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. DETAILS OF FAMILIARIZATION PROGRAMME:

The details of programmes 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

33. 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***.

34. WHISTLE BLOWER POLICY:

The Company has implemented whistleblower policy to deal with any fraud, irregularity or mismanagement in the Company. The policy enables any employee or director to directly communicate to the Chairman of the Audit Committee to report any fraud, irregularity or mismanagement in the Company. The policy ensures strict confidentiality while dealing with concerns and also that no discrimination or victimization is meted out to any whistleblower. The Whistle Blower Policy has been posted on the website of the Company and can be assessed at weblink http://punjabchemicals.com/companypolicy.html.

35. INTERNAL FINANCIAL CONTROLS

The Internal Auditor of the Company periodically audit the adequacy and effectiveness of the internal controls laid down by the Management and suggest improvements wherever required. The risks in various departments have been identified. The controls have been established to mitigate those risks and are divided as key and non-key controls. Any deficiency in the controls is viewed seriously and corrective actions are taken to avoid repetition.

36. POLICY ON PREVENTION OF SEXUAL HARRASMENT AT WORKPLACE

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the year ended March 31, 2017, no complaints pertaining to sexual harassment was received by the Company.

37. CEO/CFO CERTIFICATION:

In terms of the Listing Regulations., the Certificate duly signed by Shri Shalil Shashikumar 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, 2017, at its meeting held on May 25, 2017. The said Certificate is also annexed to the Corporate Governance Report.

38. AUDITORS:

M/s. S R B C & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/E300003), the existing Statutory Auditors of the Company were reappointed at the 38th Annual General Meeting (AGM) held on September 23, 2014 to hold office till the conclusion of forthcoming 41st AGM for a period of three years. Accordingly, they will retire at this 41st AGM. They cannot be re-appointed as they along with their affiliates have exhausted their term of total appointment at the end of the ensuing AGM. The Company, therefore, have to appoint another Auditor in their place as per the requirement of the Companies Act, 2013.

In accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed thereunder, the Board, upon the recommendation of the Audit Committee has proposed to appoint M/s. B S R & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 101248W/W-100022), as Statutory Auditor of the Company for a term of 5 consecutive years at the ensuing 41st AGM till the conclusion of 46th AGM, in place of retiring Auditors M/s. S R B C & Co. LLP, Chartered Accountants.

The Company has received a letter from M/s. B S R & Co. LLP, Chartered Accountants, confirming their eligibility to be appointed as Auditors under the relevant provisions of Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. Further, the proposed appointment will be within the limits under Section 141 (3)(g) of the Companies Act, 2013 and they are not disqualified for appointment.

The Members are requested to consider their appointment on a remuneration to be decided by the Board for the ensuing Financial Year i.e 2017-18.

39. 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 2017-18, in terms of Section 204 of the Companies Act, 2013 and Rules thereunder.

40. COST AUDITORS:

The Board of Directors upon recommendation of the Audit Committee appointed M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar as the Cost Auditor of the Company to conduct audit of the cost accounts of all the Divisions of the Company for the financial year 2017-18. The said firm has submitted a certificate of eligibility for its appointment.

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 2015-16 has been filed and the report for the year under review will be filed before the due date.

41. 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 9, 2016 (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.

42. 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

43. 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.

44. ACKNOWLEDGEMENT:

Your Directors wish to thank all stakeholders, employees and business partners, Company's bankers and business associates for their continued support and valuable co-operation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board of Directors

MUKESH D PATEL
CHAIRMAN
DIN:00009605

Place: Mumbai
Date: May 25, 2017

ANNEXURE 1 TO THE DIRECTORS' REPORT

FORM AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 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 lac)

S.No.	Name of the subsidiary	Sintesis Quimica S.A.I.C.		SD Agchem (Europe) NV		STS Chemicals (UK) Limited	
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	
		Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
2.	Reporting Currency	**Peso**	Peso	**Euro**	Euro	**Sterling Pounds**	Sterling Pounds
3.	Exchange rate as on 31.03.2017	**4.21**	4.80	**67.08**	75.42	**81.05**	95.25
4.	Share capital	**84**	96	**7076**	5021	**2**	2
5.	Reserves & Surplus	**(161)**	714	**(8749)**	(9664)	**(121)**	(114)
6.	Total Assets	**10641**	11039	**82**	1640	**106**	125
7.	Total Liabilities	**10718**	10229	**1755**	6283	**225**	237
8.	Investments	**-**	-	**-**	-	**106**	124
9.	Turnover	**11198**	16973	**530**	1964	**-**	-
10.	Profit / (Loss) before Taxation	**(2160)**	(4106)	**83**	945	**(24)**	(65)
11.	Provision for Taxation	**-**	-	**(46)**	45	**-**	-
12.	Profit / (Loss) after Taxation	**(2160)**	(4106)	**129**	900	**(24)**	(65)
13.	Proposed Dividend	**-**	-	**-**	-	**-**	-
14.	% of Shareholding	***100**	*100	**100**	100	**100**	100
15.	Country	**Argentina**	Argentina	**Belgium**	Belgium	**U.K.**	U.K.

Note:

*As on March 31, 2017, Investment in Sintesis Quimica is through SD Agchem (Europe) NV and STS Chemicals (UK) Limited, wholly owned Subsidiaries of the Company.

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	
1.	Latest audited Balance Sheet Date	**11th Nov., 2016***	31st March, 2016
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	**-119.91**	-118.84
6.	Profit / (Loss) for the year	**(1.07)**	(2.91)
i)	Considered in Consolidation	**-0.48**	-1.30
ii)	Not Considered in Consolidation	**-0.59**	-1.61

*Stellar Marine Paints Limited was sold on 11th November, 2016 and hence, the accounts are consolidated upto that date.

MUKESH D PATEL
Chairman

SHALIL SHROFF
Managing Director

AVTAR SINGH
Director (Operations & Business Development)

Place: Mumbai
Date: May 25, 2017

PUNIT K ABROL
Sr. Vice President (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 2016-17

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	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. The Company shall give preference to local areas of the manufacturing sites of the Company. The activities undertaken during the year included the followings: 1. Construction/Renovation of Toilets in Schools. 2. Providing Safe Drinking Water facility in Schools. 3. Upgrading of medical facilities in Government Hospitals. 4. Organized Medical /Eye Camps. 5. Organized Eye Operation Camps. The Company's CSR Policy can be viewed at the website of the Company at www.punjabchemicals.com under 'Financials'.
2	The Composition of CSR Committee	The Committee comprises of : a. Shri Mukesh Dahyabhai Patel, Chairman b. Shri Shalil Shashikumar Shroff, Managing Director c. Capt. Surjit Singh Chopra (Retd.), Director d. Smt. Sindhu Seth, Director
3	Average net profit of the Company for last three financial years for the purpose of computation of CSR amount.	Rs. 2203 lac.
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	Rs. 43.65 lac.
5	Details of CSR spent during the financial year:	
	Total amount to be spent for the financial year.	Rs. 42.88 lac.
	Amount unspent, if any.	Rs. 0.77 lac.
	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.	Senior Secondary School, Derabassi, set up in the year 1934 has been provided with the required new infrastructure viz. Boundary Wall, Water House, Tilings in	Education	Local areas, Distt. Mohali, Punjab	22.50	22.45	22.45	Direct

	the Prayer ground, renovation by way of painting and white washing, repairing and providing benches in classrooms, sports goods, flooring at computer room, etc. and other required items for the use of students and teachers						
b.	Five Medical and Eye Check up Camps were organized in the surrounding villages of Derabassi and Lalru during the year, where 1805 patients were examined and 189 patients have been operated (Eye Cataract Surgery) at villages Magra, Chaundheri, Rampur Sainia, Jawaharpur.	Preventive Health Care	Local areas, Distt. Mohali, Punjab	11.50	11.41	11.41	Direct
c.	Tubewell digging at village Mukandpur, near Derabassi.	Water arrangement for Cattles	Local areas, Distt. Mohali, Punjab	3.00	2.90	2.90	Direct
d.	Supply of School Benches at Govt. Schools at Village Issapur, Village Bhagsi, Village Mukandpur and Govt. High Schools at Village Mukandpur and Village Bizanpur.	Education	Local areas, Distt. Mohali, Punjab	3.00	3.06	3.06	Direct
e.	Repair at the Cremation ground, construction of toilets and RCC benches at Village Pabhat.	Health care Sanitation	Local areas, Distt. Mohali, Punjab	2.50	2.00	2.00	Direct
f.	Supply of 600 ltr. capacity Water Cooler at Govt. Hospital, Lalru.	Health care Sanitation	Local areas, Distt. Mohali, Punjab	1.15	1.06	1.06	Direct
	Total			**43.65**	**42.88**	**42.88**	

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. 0.77 lacs remained unspent due to administrative reasons at the end of the financial year 2016-17. The aforesaid amount will be spent in Distt. Mohali, Punjab, where Agro and Pharma units of the Company are 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

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, 2017

[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

I. REGISTRATION AND OTHER DETAILS:	
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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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	84.02%
2.	Bulk Drugs and Intermediates	29002	15.98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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	N.A.	Foreign Subsidiary Company	100%	2 (87)
Sintesis Quimica S.A.I.C. Scalabrini Ortiz 3333 2nd floor Buenes Aires, Argentina (C1425DCB)	N.A.	Foreign Subsidiary Company	100%	2 (87)
STS Chemicals (UK) Ltd. 14,Pollard Way, Gomersal Cleckheaton, west Yorkshire BD19 4PR	N.A.	Foreign Subsidiary Company	100%	2 (87)
*Stellar Marine Paints Limited Plot No. 645/646, Oberoi Chambers II, 4th &5th Floor, New Link Road, Andheri (W) Mumbai-400 053	U63032MH2007PLC162871	Associate Company	45%	2 (6)

*The shareholding in Stellar was sold on 11th November, 2016, therefore, it ceases to be the Associate Company

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category- wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year (April 1, 2016)				No. of shares held at the end of the year (March 31, 2017)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian :									
a) Individual/ HUF	891572	0	891572	7.27	891572	0	891572	7.27	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	4602295	0	4602295	37.53	4602295	0	4602295	37.53	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	5493867	0	5493867	44.80	5493867	0	5493867	44.80	0
(2) Foreign :									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A)= (A) (1)+(A) (2)	**5493867**	**0**	**5493867**	**44.80**	**5493867**	**0**	**5493867**	**44.80**	**0**
B. Public Shareholding									
(1) Institutions :									
a) Mutual Funds/ UTI	562	5870	6432	0.05	562	5870	6432	0.05	0
b) Banks/ FI	18054	57	18111	0.15	24952	57	25009	0.20	0.05
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	122027	0	122027	1.00	122027	0	122027	1.00	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	3913	3913	0.03	0	3913	3913	0.03	0
h) Foreign Port folio Investor’s	324676	0	324676	2.65	333597	0	333597	2.72	0.07
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)	**465319**	**9840**	**475159**	**3.87**	**477225**	**9840**	**487065**	**3.97**	**0.10**

(2) Non-Institutions :									
a) Bodies Corporate	3509347	8348	3517695	28.68	3596537	8362	3604899	29.40	0.71
Indian									
Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2191832	224273	2416105	19.70	2124882	214760	2339642	19.08	-0.62
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	283403	0	283403	2.31	265021	0	265021	2.16	-0.15
c) Others (specify)									
i) Trust	3792	0	3792	0.03	3700	0	3700	0.03	0.00
ii) Directors & Relatives	52193	125	52318	0.43	52193	125	52318	0.43	0
iii) Non Resident Indian	19411	435	19846	0.16	15238	435	15673	0.13	-0.03
Sub-Total (B)(2)	**6059978**	**233181**	**6293159**	**51.32**	**6057571**	**223682**	**6281253**	**51.23**	**-0.09**
Total Public Shareholding (B)= (B) (1)+ (B) (2)	**6525297**	**243021**	**6768318**	**55.20**	**6534796**	**233522**	**6768318**	**55.20**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**12019164**	**243021**	**12262185**	**100**	**12028663**	**233522**	**12262185**	**100**	**0**

ii) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year (April 1, 2016)			Shareholding at the end of the year (March 31, 2017)			% change in share-holding 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
Hemal Raju Shete	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
Shaila Shashikumar Shroff	124002	1.01	0	124002	1.01	0	Nil
Shalil Shashikumar Shroff	22125	0.18	0.18	22125	0.18	0.18	Nil
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	**5493867**	**44.80**	**34.64**	**5493867**	**44.80**	**34.64**	**Nil**

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	5493867	44.80%	5493867	44.80%
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)		NIL		NIL
At the end of the year	5493867	44.80%	5493867	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 sharehol-ding	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.*	3000000	24.47	Nil	Nil	Nil	3000000	24.47
Arial Holdings 1 *	324676	2.65	31.12.2016	-15000	Mkt. sale	309676	2.52
			06.01.2017	-5000	Mkt. sale	304676	2.48

Name	Shareholding at the beginning of the year		Date	Increase (+) / Decrease (-) in sharehol-ding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
Veena Kothari #	123000	1.00	11.11.2016	-65863	Mkt. sale	57137	0.46
			02.12.2016	-15104	Mkt. sale	42033	0.34
			09.12.2016	-22033	Mkt. sale	20000	0.16
			03.03.2017	-20000	Mkt. sale	0	0
Punjab State Industrial Development Corporation Limited*	122027	1.00	Nil	Nil	Nil	122027	1.00
Jayesh Pratap Chand Shah	0	0	09.12.2016	5000	Mkt. Purchase	5000	0.04
			23.12.2016	32500	Mkt. Purchase	37500	0.30
			31.12.2016	3500	Mkt. Purchase	41000	0.33
			06.01.2017	6500	Mkt. Purchase	47500	0.39
			13.01.2017	23473	Mkt. Purchase	70973	0.58
			20.01.2017	20988	Mkt. Purchase	91961	0.75
			27.01.2017	1539	Mkt. Purchase	93500	0.76
			03.02.2017	6500	Mkt. Purchase	100000	0.81
			17.02.2017	13693	Mkt. Purchase	113693	0.92
			03.03.2017	2492	Mkt. Purchase	116185	0.95
			10.03.2017	3815	Mkt. Purchase	120000	0.98
Motilal Oswal Financial Services Ltd.	0	0	09.09.2016	1000	Mkt. Purchase	1000	0.008
			23.09.2016	-202	Mkt. Sale	798	0.006
			14.10.2016	-400	Mkt. Sale	398	0.003
			21.10.2016	-164	Mkt. Sale	234	0.001
			28.10.2016	66	Mkt. Purchase	300	0.002
			04.11.2016	-300	Mkt. Sale	0	0
			11.11.2016	500	Mkt. Purchase	500	0.004
			09.12.2016	-500	Mkt. Sale	0	0
			13.01.2017	200	Mkt. Purchase	200	0.001
			27.01.2017	-51	Mkt. Sale	149	0.001
			03.02.2017	51	Mkt. Purchase	200	0.001
			10.02.2017	40252	Mkt. Purchase	40452	0.33
			17.02.2017	-191	Mkt. Sale	40261	0.32
			24.03.2017	29206	Mkt. Purchase	69467	0.56
			31.03.2017	609	Mkt. Purchase	70076	0.57
Javeri Fiscal Services Ltd.	8160	0.06	22.04.2016	2640	Mkt. Purchase	10800	0.08
			06.05.2016	1900	Mkt. Purchase	12700	0.10
			03.06.2016	-12700	Mkt. Sale	0	0

Name	Shareholding at the beginning of the year		Date	Increase (+) / Decrease (-) in sharehol-ding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
			10.06.2016	630	Mkt. Purchase	630	0.005
			17.06.2016	-630	Mkt. Sale	0	0
			30.06.2016	900	Mkt. Purchase	900	0.007
			29.07.2016	2700	Mkt. Purchase	3600	0.02
			12.08.2016	-3600	Mkt. Sale	0	0
			18.11.2016	13950	Mkt. Purchase	13950	0.11
			25.11.2016	11700	Mkt. Purchase	25650	0.21
			02.12.2016	35800	Mkt. Purchase	61450	0.50
			09.12.2016	-26450	Mkt. Sale	35000	0.28
			16.12.2016	5500	Mkt. Purchase	40500	0.33
			23.12.2016	1000	Mkt. Purchase	41500	0.34
			31.12.2016	-24027	Mkt. Sale	17473	0.14
			06.01.2017	-11223	Mkt. Sale	6250	0.50
			13.01.2017	8750	Mkt. Purchase	15000	0.12
			20.01.2017	3600	Mkt. Purchase	18600	0.15
			03.02.2017	8261	Mkt. Purchase	26861	0.22
			10.02.2017	14038	Mkt. Purchase	40899	0.33
			17.02.2017	7967	Mkt. Purchase	48866	0.39
			24.02.2017	1133	Mkt. Purchase	49999	0.41
IL and FS Securities Services Ltd.	20941	0.17	08.04.2016	-502	Mkt. Sale	20439	0.17
			15.04.2016	-485	Mkt. Sale	19954	0.16
			22.04.2016	-49	Mkt. Sale	19905	0.16
			29.04.2016	-13	Mkt. Sale	19892	0.16
			13.05.2016	-400	Mkt. Sale	19492	0.15
			17.06.2016	-8700	Mkt. Sale	10792	0.08
			15.07.2016	50	Mkt. Purchase	10842	0.08
			22.07.2016	-50	Mkt. Sale	10792	0.08
			12.08.2016	-700	Mkt. Sale	10092	0.08
			02.09.2016	900	Mkt. Purchase	10992	0.08
			16.09.2016	750	Mkt. Purchase	11742	0.09
			23.09.2016	-10000	Mkt. Sale	1742	0.01
			21.10.2016	325	Mkt. Purchase	2067	0.01
			04.11.2016	1075	Mkt. Purchase	3142	0.02
			18.11.2016	1000	Mkt. Purchase	4142	0.03
			25.11.2016	1500	Mkt. Purchase	5642	0.04
			02.12.2016	-1500	Mkt. Sale	4142	0.03
			09.12.2016	50095	Mkt. Purchase	54237	0.44

Name	Shareholding at the beginning of the year		Date	Increase (+) / Decrease (-) in sharehol-ding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
			16.12.2016	-95	Mkt. Sale	54142	0.44
			23.12.2016	10400	Mkt. Purchase	64542	0.52
			31.12.2016	-500	Mkt. Sale	64042	0.52
			06.01.2017	3900	Mkt. Purchase	67942	0.55
			13.01.2017	-13600	Mkt. Sale	54342	0.44
			20.01.2017	2714	Mkt. Purchase	57056	0.46
			27.01.2017	100	Mkt. Purchase	57156	0.46
			10.02.2017	48	Mkt. Purchase	57204	0.46
			17.02.2017	-10999	Mkt. Sale	46205	0.37
			24.02.2017	3197	Mkt. Purchase	49402	0.40
			03.03.2017	-500	Mkt. Sale	48902	0.39
			10.03.2017	-92	Mkt. Sale	48810	0.39
			17.03.2017	-300	Mkt. Sale	48510	0.39
			24.03.2017	500	Mkt. Purchase	49010	0.39
			31.03.2017	-2248	Mkt. Sale	46762	0.38
Kishan Gopal Mohta #	56000	0.46	08.04.2017	1192	Mkt. Purchase	57192	0.47
			15.04.2017	2808	Mkt. Purchase	60000	0.49
			22.04.2016	1000	Mkt. Purchase	61000	0.50
			06.05.2016	337	Mkt. Purchase	61337	0.50
			20.05.2016	4132	Mkt. Purchase	65469	0.53
			10.06.2017	331	Mkt. Purchase	65800	0.54
			24.06.2017	12523	Mkt. Purchase	78323	0.64
			30.06.2017	277	Mkt. Purchase	78600	0.64
			15.07.2017	-800	Mkt. Sale	77800	0.63
			29.07.2016	-800	Mkt. Sale	77000	0.63
			05.08.2016	-1668	Mkt. Sale	75332	0.61
			12.08.2016	-332	Mkt. Sale	75000	0.61
			16.09.2016	-1000	Mkt. Sale	74000	0.60
			07.10.2016	-418	Mkt. Sale	73582	0.60
			14.10.2016	-47	Mkt. Sale	73535	0.60
			21.10.2016	2465	Mkt. Purchase	76000	0.62
			04.11.2016	-4816	Mkt. Sale	71184	0.58
			11.11.2016	71184	Mkt. Purchase	0	0.00
Shree Gopal Chemicals & Trading pvt. Limited*	44250	0.36	13.01.2017	-9000	Mkt. Sale	35250	0.29
Ramila Pradip Trivedi#	33824	0.28	Nil	Nil	Nil	33824	0.28
Dhwaja Shares and Securities Pvt. Ltd. #	33000	0.27	24.06.2016	-33000	Mkt. sale	0	0

Name	Shareholding at the beginning of the year		Date	Increase (+) / Decrease (-) in sharehol-ding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
Shaktiman Steel Castings Pvt. Ltd. #	30200	0.25	Nil	Nil	Nil	30200	0.25
PCCPL-Unclaimed Suspence Account *	35910	0.29	03.06.2016	-5	Transfer	35905	0.29
Kwality Alutrade Pvt. Ltd.	0	0	22.04.2016	3500	Mkt. Purchase	3500	0.03
			06.05.2016	3600	Mkt. Purchase	7100	0.06
			17.06.2016	-7100	Mkt. Sale	0	0.00
			02.12.2016	5000	Mkt. Purchase	5000	0.04
			09.12.2016	5000	Mkt. Purchase	10000	0.08
			16.12.2016	2500	Mkt. Purchase	12500	0.10
			23.12.2016	12500	Mkt. Purchase	25000	0.20
			06.01.2017	-4900	Mkt. Sale	20100	0.16
			20.01.2017	5000	Mkt. Purchase	25100	0.20
			03.02.2017	2900	Mkt. Purchase	28000	0.23
			10.02.2017	2336	Mkt. Purchase	30336	0.25
			17.02.2017	3452	Mkt. Purchase	33788	0.28
			24.02.2017	-6715	Mkt. Sale	27073	0.22
			10.03.2017	927	Mkt. Purchase	28000	0.23
			17.03.2017	2000	Mkt. Purchase	30000	0.24
			24.03.2017	10000	Mkt. Purchase	40000	0.33

Note:

1. * Common top 10 shareholders as on April 1, 2016 and March 31, 2017
2. # Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01.04.2016.

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*	2,30,581	1.88	Nil	Nil	Nil	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
ShivShankar 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.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs: in Lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	16624	344	-	16968
(ii) Interest due but not paid	147	-	-	147
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**16771**	**344**	-	**17115**
Change in Indebtedness during the year				
Addition	113	-	-	113
Reduction	2192	30	-	2222
Net Change	**2079**	**30**	-	**2109**
Indebtedness at the end of the financial year				
(i) Principal Amount	14475	314	-	14789
(ii) Interest due but not paid	217	-	-	217
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**14692**	**314**	-	**15006**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole Time Directors and/ or Manager **(Rs Lakh)**

Particulars of Remuneration	Shalil Shashikumar Shroff Managing Director	Avtar Singh Whole-Time Director	Total Amount
1. Gross Salary			
(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	58.01	51.52	109.53
(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	10.09	13.85	23.94
(c) 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	Nil	Nil	Nil
TOTAL (A)	**68.10**	**65.37**	**133.47**
Ceiling limit	Within the limit approved by the Central Government.		

B. Remuneration to Other Directors

1. Independent Directors (Rs. Lakh)

Particulars of Remuneration	Vijay Rai	Mukesh Dahya bhai Patel	S.P. Singh	Total amount (Rs. Lakh)
Fee for attending Board/ Committee Meetings	3.30	3.30	2.70	9.30
Commission	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil
TOTAL (B)(1)	**3.30**	**3.30**	**2.70**	**9.30**

2. Other Non-Executive Directors					(Rs. Lakh)
Particulars of Remuneration	**Capt. Surjit Singh Chopra**	**Ghattu Ramanna Narayan***	**Shiv Shankar Tiwari**	**Sindhu Seth**	**Total amount (Rs. Lakh)**
Fee for attending Board/ Committee Meetings	1.50	0.30	1.20	1.50	4.50
Commission	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil
TOTAL (B)(2)	**1.50**	**0.30**	**1.20**	**1.50**	**4.50**
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. * Shri Ghattu Ramanna Narayan is a Chairman Emeritus of the Company.				

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD				(Rs. Lakh)
Particulars of Remuneration	**Punit Kumar Abrol Company Secretary**	**Vipul Joshi Chief Financial Officer**	**Jain Prakash* Sr. V.P. Works**	**Total amount**
1. Gross Salary				
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	38.47	51.33	35.64	125.44
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	3.85	2.56	3.60	10.01
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				
as % of profit	Nil	Nil	Nil	Nil
others, specify	Nil	Nil	Nil	Nil
5. Others, please specify				
Retiral benefits	Nil	Nil	Nil	Nil
TOTAL (C)	**42.32**	**53.89**	**39.24**	**135.45**

*Shri Jain Prakash is not KMP within the definition of Section 203 of the Companies Act 2013, however the Board has appointed him also as KMP.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of penalty/ punishment/ compounding fees imposed**	**Authorities (RD/ NCLT/ Court)**	**Appeal made, if any (give details)**
A. COMPANY					
Penalty	**NOT APPLICABLE**				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	**NOT APPLICABLE**				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	**NOT APPLICABLE**				
Punishment					
Compounding					

ANNEXURE 4 TO THE DIRECTORS' 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). 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.

NOMINATION AND REMUNERATION COMMITTEE

Composition:

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 29th 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 Independent Director	:	Chairman & Member of the Committee
2.	Shri M.D. Patel Independent Director	:	Member of the Committee
3.	Shri S.P. Singh Independent Director	:	Member of the Committee
4.	Smt. Sindhu Seth Non-Independent Director	:	Member of the Committee

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, interalia, include the following:

i) 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.

ii) To carry out evaluation of performance of Directors, as well as Key Managerial and Sr. Management Personnel.

iii) To establish the criteria and process to assist the Board and each of its Committees in their performance evaluations.

iv) 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 31.03.2017

[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, 2017 (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, 2017 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;

The Company has taken approval from Reserve Bank of India vide their letter no. FE.CO.OID/11084/19.16.339/2015-16 dated 31st March, 2016 for capitalization of overdue export proceeds of SD Agchem (Europe) N.V. Belgium, (SD Agchem), a Wholly Owned Subsidiary of the Company into investment in SD Agchem. Further there were no Foreign 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, 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 (Share Based Employee Benefits) Regulations, 2014 - Not Applicable as the Company has not granted any shares/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

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd. and BSE Limited.

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 and Audit Committee Meeting 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 review period, the Company has reconstituted its Audit Committee .

For **P.S. Dua & Associates**
Company Secretary
Place: - Ludhiana
P.S. Dua
Date :- 25 May, 2017
FCS No. 4552, C P 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.

Annexure A to Secretarial Audit Report

To
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
P.S. Dua
Date :- 25 May, 2017
FCS No. 4552, C P 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.	**Details of contracts or arrangements or transactions not at arm's length basis:**	
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, 2017, 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.	**Details of material contracts or arrangement or transactions at arm's length basis :**	
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, 2017.
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 25, 2017

MUKESH D PATEL
CHAIRMAN
DIN:00009605

SHALIL S SHROFF
MANAGING DIRECTOR
DIN: 00015621

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:

- Required modifications in the process and re-engineering in the plants are carried out to increase production as well as to conserve energy per unit of production.
- Boiler automation is carried out by installing VFD to save power.
- Natural cooling tower and new Air Compressors installed to save power.
- Use of cooling water instead of chilled water in winter season.
- Screw Brine Compressor and bigger size Brine Compressor installed to take load of whole plant and save power and replaced the old one.
- Use of LED lamps instead of CFL lamps.

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

The working is being 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 has spent Rs. 20 lacs (approx.) on energy conservation items and equipments. The company also continuously monitors the energy conservation and make the required investment, wherever required.

Above efforts and monitoring helps in energy conservation and save cost.

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption;

Inhouse technologies to improve upon the efficiency and quality of the products are used. Also technologies are developed and upgraded for the new product as per the available infrastructure.

(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.

Environment friendly processes are tried/developed.

Various foreign and domestic customers have carried out the audit of manufacturing sites and approved the same to get the products manufactured.

(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 lac)

		2016-17	2015-16
a)	Capital	**-**	-
b)	Recurring	**97**	61
c)	Total	**97**	61
d)	Total R &D expenditure as %age of total turnover	**0.25%**	0.12%

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 lac)

		2016-17	2015-16
i)	Earned	**23949**	22909
ii)	Used	**6615**	6998

For and on behalf of the Board of Directors

MUKESH D PATEL

CHAIRMAN

DIN:00009605

Place: Mumbai

Date: May 25, 2017

ANNEXURE 8 TO THE DIRECTORS' REPORT

DISCLOSURE REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Requirements	Disclosure			
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17 and percentage increase / (decrease) in the remuneration of each director.	**Director's Name**	**Remuneration in Rs. lac**	**Ratio to MRE**	**% increase/ (decrease) in remuneration in 2016-17 over 2015-16**
		Shri M.D. Patel	3.30	0.79	22.22
		Shri Shalil Shroff, Managing Director	68.10	16.29	9.19
		Shri Vijay Rai	3.30	0.79	37.5
		Capt. S. S. Chopra	1.50	0.35	-
		Smt. Sindhu Seth	1.50	0.35	11.11
		Shi Sheo Prasad	2.70	0.64	63.64
		Shri SS Tiwari*	1.20	0.29	-94.68
		Shri Avtar Singh, Whole Time Director	65.37	15.63	20.01
* Shri S.S Tiwari was Whole Time Director (WTD) upto 28.05.2015 and hence the remuneration paid to him during the financial year 2015-16 includes the remuneration as WTD and sitting fees as Non-Executive Director					
2.	The percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year 2016-17.	**Name**	**Designation**	**Remuneration (in Rs. lac)**	**% increase in remuneration**
		Shri Punit K Abrol	Company Secretary	42.31	30.65
		Shri Vipul Joshi	Chief Financial Officer	53.88	18.09

3.	The percentage increase in the median remuneration of employees in the financial year.	**Median FY 2015-16 (in Rs.)**	**Median FY 2016-17 (in Rs.)**	**% increase/ decrease**
		4,30,371	4,18,523	-2.75%

4.	The number of permanent employees on the roll of the Company.	**As on 31.03.2017**	**As on 31.03.2016**
		879	835

5.	Average percentile increase already made in the salaries of employees other than the managerial remuneration 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.	**Aggregate of remuneration paid to Employees in FY 2016-17 (Rs. in lac)**	**Aggregate of remuneration paid to Employees in FY 2015-16 (Rs. in lac)**	**% increase / decrease**
		4157	3782	9.68
		The average increase in salary of employees other than managerial personnel is 9.68 percent and increase in salary of managerial personnel is 14.27 percent from the previous year. The increment given to each individual employee is based on his experience, performance, market trend and contibution to the Company's progress. The increase in 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.		

6.	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.

Note:

1. The Median salary of the staff Members is arrived 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.
2. No Stock option was granted to Directors.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **BUSINESS REVIEW:**

1.1 Business Segment- Agro Chemicals and other Chemicals

a) Industry Structure and development:

India is on the threshold of major reforms and is poised to become the third-largest economy of the world by 2030. The Indian chemical industry stands as the third largest producer in Asia and 12th in world, in terms of volume and also accounts for fourth largest producer of agrochemicals.

The budget 2017-18 has provided a big fillip for the Indian Agri-sector. The budget has pitched for some reforms in agriculture and increased fund for insurance and irrigation schemes along with various other measures to boost farm income and to double it in the next five years. All these schemes will address working capital requirements of farmers and should thereby support growth in agrochemical sales.

b) Opportunities and threats:

The Indian agriculture sector remains the backbone of the nation's economy, accounting for about 15 percent of the country's GDP. Nearly 60 percent of rural households rely on agriculture as their principal means of livelihood. To support continued growth, the agrochemical industry sector is developing strategies to leverage opportunities involving insecticides and fungicides, new labor-saving herbicides, more products moving off-patent, and innovations in agrochemical solutions. Properly designed and executed, current initiatives can help India become a global manufacturing hub of quality crop protection chemicals.

In the agrochemical sector, producing world-class end products and new-age formulations is only possible through research intensification. Agriculture in our country presently needs to take significant strides towards R&D to improve agricultural expertise and enhance productivity. Moreover, Competitive rivalry, threat of new entrants, substitute products, bargaining power of suppliers and customers are major threat to the agrochemical industries.

c) Outlook:

The research analyst predicts the agrochemical market in India to grow steadily at a CAGR of over 9% during 2017. With the positive economic outlook, in most of the world markets, your Company's business is expected to grow at a consistent pace.

The Management of the Company has continued to focus on Agro Chemicals technical manufacturing, the backbone of the Company's business and on improving margins and cash flows.

d) Risks and concerns:

While your Company is continuously monitoring various risks factors and takes steps to mitigate them as much as possible, uncertain economic conditions, foreign exchange fluctuations and increased competition may be areas of concern.

1.2 Business Segment- Pharma

a) Industry structure and development:

India is the world's third-largest pharmaceutical market globally in terms of volume and is the largest supplier of cost-effective generic medicines to the world, accounting for 20% of global exports. Further, the Indian pharmaceutical industry registered a growth of 15.1% from USD 27 billion in the Financial Year (FY) 2014-15 to USD 31 billion in FY 2015-16.

The Union Budget 2017-18 showed an increase of 23% in the health expenditure which is likely to give further impetus to the pharma sector. The government, as part of the Budget, has proposed amendments to the Drugs and Cosmetics Rules to ensure availability of generic drugs at reasonable prices and promote the use of generic medicines. The government has also introduced a range of fiscal incentives to promote domestic manufacturing, including the reduction of inverted duty structure and basic customs duty.

b) Opportunities and threats:

The Indian Pharma Industry has been growing at a compounded annual growth rate (CAGR) of more than 15% over the last five years and has significant growth opportunities. However, for the industry to sustain it till 2020, Companies will have to rethink their business strategy. They will have to adopt new business models and think of innovative ideas to service their evolving customers faster and better. Moreover, complex approval processes and tough guidelines to conduct clinical trials are impacting the growth of the sector.

c) **Outlook:**

Your Company entered into the Pharma business in 2003 after acquisition of erstwhile Alpha Drug India Limited (ADIL), now merged with the Company. The divisions performance has been constrained as the product line is restricted to few bulk drugs, intermediates and specialty chemicals. However, the manufacturing facility of this division has ISO 9001:2000 and ISO 14001:2004, which add value and confidence to companies seeking to manufacture, hence our focus has been on tolling.

This Division has shown improved results during the year due to profitable toll manufacturing and job work done for elite customers. The Company is looking for additional job work for better utilization of the available facilities.

d) **Risks and Concerns:**

Pricing pressures, generics competition, margin erosion, supply chain issues and regulatory constraints are the key risks and concerns for this sector.

The Management is fully acquainted with all these risks along with non-availability of working capital. Therefore, these risks and concerns are addressed on case to case basis.

2. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The Management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the Management and suggest improvements. 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. Any deficiency in the controls is viewed seriously and corrective actions are taken to avoid repetition.

The Audit Committee of the Board periodically reviews key findings and provides strategic guidance. The Company's Operating Management closely monitors the internal control environment and ensures that the recommendations are effectively implemented.

Further, 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:

The revenue from operations and other income of the Indian operations during the financial year review was Rs. 436 crore with net profit of Rs. 2.13 crore as against the total income of Rs. 369 crore in the previous year which was more by 18%. The profit last year with exceptional income of Rs. 34.46 crore was Rs. 35.62 crore.

During the financial year, the Company has entered into One Time Settlement (OTS) with the Central Bank of India for the outstanding dues including interest and waiver of FITL principal amount. As per the terms of OTS, the Company has to pay Rs. 16.03 crore against the total outstanding dues of Rs. 19.71 crore including interest and FITL principal amount. The company has paid the initial amount of Rs. 4.01 crore, being 25% of the OTS offer, to the Central Bank of India and the rest amount will be paid in the financial year 2017-18.

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 that the total revenue of Rs. 532 crore with a net loss of Rs. 15.70 crore against the total income of Rs. 554 crore and net profit of Rs. 13.28 crore in the previous year.

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 31.03.2017, the shareholders' fund has increased to Rs. 56.65 crore from Rs. 54.74 crore as on 31.03.2016. Fund has increased due to increase in profit. However, still there is net deficit of Rs. 16.93 crore in the Profit and Loss Account.

On Consolidated basis, as on 31.03.2017, the shareholders' fund has decreased to Rs. 41.78 crore against Rs. 61.24 crore of 31.03.2016. The Reserves & Surplus decreased to Rs. 29.52 crore from Rs. 48.98 crore of last year due to loss in the year 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. 61.65 crore in the year under review against Rs. 98.54 crore as on 31st March,2016. Whereas, the short term borrowings were Rs. 49.83 crore as on 31st March, 2017.

iii) Earning Per Equity Share:

The earning per equity share was Rs. 1.74 as on 31st March, 2017 against Rs. 29.05 of previous year, on standalone basis.

iv) Revenue from Operations:

During the year, the turnover of Agro Chemicals and intermediates was Rs. 235.35 crore against Rs. 209.03 crore of last year. The Bulk Drugs revenue increased to Rs. 68.37 crore from Rs. 53.57 crore. The turnover of other chemicals including phosphorous and its compounds decreased to Rs. 74.75 crore against Rs. 81.26 crore of last year. The Companies exports were Rs. 241.59 crore which is 59% of sales.

In consolidated accounts for the year under review, 32% of the revenue was from Indian operations and 68% 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, 2017 was 879.

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 and other applicable provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1st April, 2015.

It may be noted that the Companies (Indian Accounting Standards) Rule, 2015 (Ind-AS) would be applicable to the Company from the financial year commencing on 1st April, 2017. Hence, the Company has already engaged the services of the experts for preparing a road map for the Company to adopt / implement Ind-AS in a smooth manner.

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long term corporate goals and to enhance the stakeholders' value. In this pursuit, the Corporate Governance philosophy of the Company is based on transparency, professionalism and accountability in all its operations.

The procedures adopted to ensure good Corporate Governance are based on the size, complexity, global operations and traditional ethical values in the Company.

The Company has an active, experienced and a well-informed Board. The Board along with its Committee fulfils its fiduciary duties in the interest of all its stakeholders.

The Company's internal control systems are periodically reviewed to assess its effectiveness. The employees are hardworking, well cultured, transparent and participative. Their sense of belongingness towards the Company is the biggest asset of the Company.

Code of Business Conduct & Ethics

The Company has adopted a 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).

All the Board members and Senior Management of the Company as on 31st March, 2017 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect, duly signed by the Managing Director, forms part of this report.

Insider Code of Conduct

The Company's Corporate Governance philosophy has been further strengthened by adoption of '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). The Directors are covered under these Codes and have given affirmation for the compliance.

The Company is in compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for Corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors and Committees of the Board provide leadership and guidance to the Company's management. The Board also directs and supervises the performance of the Company and ensures the sound and ethical business practices.

The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on March 31, 2017, the Board comprised of eight Directors, out of which six are Non-Executive Directors including a Woman Director, one Managing Director (Promoter) and one Whole-time Director. Out of six Non-Executive Directors, three are Independent Directors.

None of the Directors on the Board is a Member of more than ten Committees and Chairman of more than five Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding the committee positions held by them in other Companies.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies. All Directors are also in compliance of the limit on Independent Directorships of listed Companies as prescribed in Regulation 25 (1) of the Listing Regulations.

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.

Board Procedure

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and to discharge its responsibilities effectively. The Managing Director apprises the Board on the overall performance of the Company. The Board also, *interalia*, reviews the strategy, annual business plan and capital expenditure budgets, compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, adoption of quarterly / half-yearly / annual results, major accounting provisions and write-offs / write backs, corporate restructuring, minutes of the meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, the Board is also kept informed of major events and approvals are taken wherever necessary.

Meetings held

During the year, the Board met Eight (8) times on the following dates during the financial year 2016-17:

May 30, 2016	October 10, 2016
July 14, 2016	November 7, 2016
August 11, 2016	February 10, 2017
September 8, 2016	March, 27, 2017

The maximum gap between any two (2) Board Meetings was less than one hundred twenty (120) days.
No Board Meeting was held through video conferencing or through any audio-visual mode.

Board of Directors

The Composition and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the financial year 2016-17 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on March 31, 2017 are as follows:

Name of the Director	Category	Attendance Particulars		No. of other Directorship** (excluding PCCPL)		Committee Membership*** (excluding PCCPL)		No. of shares held as on March 31,2017
		Board Meeting	Last AGM	Director	Chairman	Member	Chairman	
Shri Ghattu Ramanna Narayan (DIN:00020575)*	Chairman Emeritus	2	Yes	-	-	-	-	Nil
Shri Mukesh Dahyabhai Patel Chairman (DIN:00009605)	Independent/ Non-Executive	7	Yes	3	0	1	3	400
Shri Shalil Shashikumar Shroff Managing Director (DIN:00015621)	Promoter Executive	8	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	8	Yes	6	0	2	1	Nil
Smt. Sindhu Seth (DIN:00109298)	Woman Director/ Non-Independent/ Non-Executive	5	Yes	-	-	-	-	Nil
Shri Sheo Prasad Singh (DIN:06493455)	Independent/ Non-Executive	8	Yes	-	-	-	-	Nil
Shri Avtar Singh Whole Time Director (DIN:00063569)	Non-Independent/ Executive	7	Yes	1	-	1	-	7911
Shri Shivshankar Shripal Tiwari (DIN:00019058)	Non-Independent/ Non Executive	7	Yes	-	-	-	-	11714

* Resigned as Chairman and Director w.e.f. 28th May, 2015. Thereafter, he was appointed as the Chairman, Emeritus.

** Directorships in Companies registered under the 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 Directorships.

**** Includes membership of Audit and Stakeholders Relationship Committees only.

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 Directors 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 sufficient net profit calculated 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 2016-17.

(e) The decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions.

Familiarization Programme

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarization programmes for its Independent Directors and other Directors. The details of familiarization programmes are available on the website of the Company under the head "*Financials – Company Policies*".

Terms and conditions of appointment of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. Formal letters of appointment have been issued to them. The terms and conditions of their appointment have been disclosed on the website of the Company under the head "Financials - Investor Relations".

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on February 10, 2017 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the Meeting, the Independent Directors:

a) Reviewed the performance of Non-Independent Directors and the Board as a whole;
b) Reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and
c) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the Meeting of Independent Directors.

Appointment/ Re-appointment of Directors

As required under Regulation 36 (3) of the Listing Regulations, particulars of the Directors seeking appointment / re-appointment are given in the Explanatory Statement to the Notice of the AGM.

3. 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. It has to ensure accuracy, timely disclosure of all financial results.

The terms of reference of the Audit Committee are as per the Listing Regulations and the Act. The broad terms of reference of Audit Committee as adopted by the Board are as under:

1. Oversight 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. Recommendation for appointment, remuneration and terms of appointment of the Auditors.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. 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 Act.
   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) Modified opinion (s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. 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.
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of Inter-Corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of Internal Financial Controls and Risk Management Systems.
12. Reviewing, with the management, performance of the Statutory and Internal Auditors and the adequacy of the Internal Control Systems.
13. Reviewing the adequacy of internal audit function.
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. 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.
16. 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.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
18. To review the functioning of the Whistle Blower Mechanism of the Company and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. 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.
21. Provide guidance to the Compliance Officer for setting forth policies and implementation of the revised Code of Conduct for Prevention of Insider Trading.

22. 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.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of the Listing Regulations.

Meetings held

During the financial year under review, the Audit Committee met Seven (7) times on the following dates:

May 30, 2016	November 07, 2016
July 14,2016	February 10, 2017
August 11, 2016	March 27, 2017
September 8,2016	

The maximum gap between any two (2) Audit Committee Meetings was less than 120 days.

The necessary quorum was present in all the meetings.

Composition and attendance

The Board of the Company has constituted an Audit Committee, comprising of Four Directors, out of which three are Independent Directors including the Chairman.

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 2016-17	
				Held during tenure	Attended
1	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	7	7
2	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	7	6
3	Capt. Surjit Singh Chopra (Retd.)*	Non-Executive / Non-Independent	Member	4	4
4.	Smt. Sindhu Seth	Non-Executive / Non-Independent	Member	7	4
5	Shri S. P. Singh	Non-Executive / Independent	Member	7	7

* Capt. Surjit Singh Chopra (Retd.) was member of the Committee uptil November 7, 2016.

During the year, the Committee was reconstituted on November 7, 2016 by the Board of Directors after the resignation of Capt. Surjit Singh Chopra (Retd.) from the Committee.

The Company has complied with the requirements of explanation (2) of Regulation 18 (1) (C) of Listing Regulations and Section 177 of the Act with respect to the composition of the Audit Committee.

Shri Vijay Rai, Chairman of the Audit Committee was present at the last AGM held on September 9, 2016

The Audit Committee meetings are usually attended by the Managing Director, Chief Financial Officer, Company Secretary and the Statutory Auditors of the Company. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. The Committee also invites such of the executives, as it considers appropriate to seek any clarification.

During the year, the Committee reviewed the key audit findings covering operational, financial, compliances, internal financial controls and reporting system. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee meeting are placed before the Directors in the next meeting of the Board.

Shri Punit K Abrol, Sr. V.P. (Finance) & Company Secretary of the Company acts as the Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

The terms of reference of the Nomination and Remuneration Committee are as per the Listing Regulations and the Act. The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board are as under:

1. 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 (KMP) and other senior employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Meetings held

During the financial year 2016-17, two meetings of the Committee were held on the following dates:

May 30, 2016 August 11,2016

Composition and Attendance

The Board has constituted a Nomination and Remuneration Committee with Four Directors. Three Directors are Independent including the Chairman.

The details of this Committee and attendance in the Meetings are as under:

Sr.No.	Name of Director	Category	Position	No. of Committee Meetings during 2016-17	
				Held during tenure	Attended
1	Shri Vijay Dilbagh Rai	Non-Executive / Independent	Chairman	2	2
2	Shri Mukesh Dahyabhai Patel	Non-Executive / Independent	Member	2	2
3	Shri Sheo Prasad Singh	Non-Executive / Independent	Member	2	2
4	Smt. Sindhu Seth	Non-Executive / Non-Independent	Member	2	1

The Company has complied with the requirement of Regulation 19 of Listing Regulation and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee.

Shri Vijay Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on September 9, 2016

Performance Evaluation and Criteria for Evaluation:

The Board has carried out a performance evaluation of its own performance, of the Directors and also evaluated the working of the Committees.

Pursuant to the Act, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors, other 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.

The criteria for evaluation of individual Director is based on the attendance, his contribution at the Board / Committee meetings, guidance and support to the management outside the Board / Committee meetings.

In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all the Board members and motivating and providing guidance to the Managing Director. The criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of committee composition and effectiveness of meetings.

5. REMUNERATION OF DIRECTORS

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management based on expertise, experience and integrity of the person. It also weighs the independent nature, personal and professional standing for the diversity in the Board composition.

Remuneration to the Managing Director/Whole Time Director

The remuneration of the Managing Director and other Whole Time Director is based on the Company's size, their knowledge and expertise, economic & financial position of the Company, industrial trend and compensation paid by the peer Companies, etc.

The Company pays remuneration to the Managing Director and Whole-time Director by way of salary, commission, perquisites and allowances. During the year under review, the remuneration was paid within the range approved by the Shareholders and the Central Government. The Board, on the recommendation 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 on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in Section 197 of the Act.

Remuneration to the Non-Executive Directors

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 Board and other Committee meetings. The commission is paid as per the limits approved by shareholders, subject to a limit not exceeding 1% p.a. of net profits of the Company (computed in accordance with Section 198 (1) of the Act) and in such proportion and manner as the Chairman may decide.

The Company has not granted any stock options to its Director.

Details of Remuneration paid to Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2016-17, 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	30,000	Nil	Nil	Nil	30,000
Mukesh Dahyabhai Patel	3,30,000	Nil	Nil	Nil	3,30,000
Shalil Shashikumar Shroff, Managing Director	Nil	68,10,000	Nil	Nil	68,10,000
Capt. Surjit Singh Chopra (Retd.)	1,50,000	Nil	Nil	Nil	1,50,000
Vijay Dilbagh Rai	3,30,000	Nil	Nil	Nil	3,30,000
Sindhu Seth	1,50,000	Nil	Nil	Nil	1,50,000
Sheo Prasad Singh	2,70,000	Nil	Nil	Nil	2,70,000
Shivshankar Shripal Tiwari	1,20,000	Nil	Nil	Nil	1,20,000
Avtar Singh, Whole Time Director	Nil	65,37,600	Nil	Nil	65,37,600
TOTAL	**13,80,000**	**1,33,47,600**	**Nil**	**Nil**	**1,47,27,600**

Notes:

a) There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.

b) No Commission was paid to the Directors since the financial year 2008-09.

Service Contracts, Severance fees and notice period

Particulars	Shri Shalil Shroff Managing Director	Shri Avtar Singh Whole Time Director
Period of contract	3 years upto January 15, 2018	5 years upto November 14, 2017
Severance fees/ notice period	The contract may be terminated by either part by giving the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between him and the Company.	

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as per the Listing Regulations and the Act. The broad terms of reference of Stakeholders Relationship Committee as adopted by the Board are as under:

i) To look into redressal of investors' complaints and requests such as transfer of shares/ debentures, non-receipt of dividend, annual report, etc.

ii) To resolve the grievances of the security holders of the Company.

iii) Oversee the performance of the Company's Registrars and Transfer Agents

iv) Recommend methods to upgrade the standard of services to Investors

v) 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.

Meetings held

During the financial year 2016-17, four meetings of the Committee were held on the following dates:

May 30, 2016	November 7, 2016
August 11,2016	February 10, 2017

Composition and Attendance

The Board of the Company has constituted a Stakeholders Relationship Committee, comprising of Four Directors. The Chairman of the Committee is a Non-Executive Director of the Company.

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 2016-17	
				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	4

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 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 2016-17, 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.

7. OTHER COMMITTEES

a) RISK ASSESSMENT COMMITTEE

Regulation 21 of the Listing Regulations mandates top 100 listed companies based on the market capitalisation to constitute a Risk Assessment Committee. Although non-mandatory, your Company has constituted a Risk Assessment Committee of the Board.

Evaluation of business risk and managing the risk has always been an ongoing process in the 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.

Meetings held

During the financial year under review, 1 (one) meeting of the Risk Assessment Committee was held on February 10, 2017.

Composition and attendance

The Board of the Company has constituted a Risk Assessment Committee, comprising of Four Directors.

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 2016-2017	
				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:

Terms of reference

The terms of reference of the Committee includes:

a) Formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b) To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy;

c) Monitoring CSR Policy of the Company from time to time;

d) Instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and

e) To perform any other function or duty as stipulated by the Act and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

Meetings held

During the financial year 2016-17, the Committee met once on 30th May, 2016.

Composition and Attendance

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 2016-2017	
				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	-

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. A Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

8. GENERAL BODY MEETINGS

Location and Time of the last three Annual General Meetings and Special Resolutions passed:

YEAR	LOCATION	DAY, DATE AND TIME	SPECIAL RESOLUTIONS
2013-2014	PHD House, Sector-31, Chandigarh	Tuesday, September 23, 2014 at 4.00 P.M.	a) To amend the Articles of Associations of the Company b) Reappointment of Shri Shalil Shroff as the Managing Director of the Company and to fix his remuneration c) Reappointment of Shri Avtar Singh as the Whole-Time Director of the Company and to fix his remuneration d) To approve the Borrowing limits of the Company e) Creation of the Charges on the assets of the Company f) Approval for appointment and payment of Remuneration to Shri Jaskaran Singh u/s 188 (1) (f) of the Act.
2014-2015	PHD House, Sector-31, Chandigarh	Friday, September 11, 2015 at 9.30 A.M	There was no matter that required passing of Special Resolution.
2015-2016	PHD House, Sector-31, Chandigarh	Friday, September 09, 2016 at 9.30 A.M	There was no matter that required passing of Special Resolution.

Postal Ballot:

During the financial year, no resolution was passed through Postal Ballot.

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot, pursuant to section 110 of the Companies Act, 2013.

The Company has issued a Postal Ballot Notice dated April 25, 2017 for seeking approval of the Members for the following special businesses:

i) Shifting of Registered Office of the Company from Chandigarh, Union Territory, to State of Punjab.

ii) Divestment of shareholding in STS Chemicals (UK) Limited, a Wholly Owned Subsidiary of the Company including Sintesis Quimica, S.A.I.C, Argentina its step-down subsidiary.

The result of the above mentioned Postal Ballot will be declared on June 5, 2017 and the necessary disclosures pursuant to Act will be made in the next Annual Report.

9. MEANS OF COMMUNICATION

a) The Company intimates un-audited quarterly, half-yearly and audited quarterly and annual financial results to the Stock Exchanges immediately after these are approved and taken on record by the Board. These financial results are normally published in the Financial Express (all Edition in English) and Jansatta (Chandigarh Edition in Hindi), and are also displayed on the website of the Company www.punjabchemicals.com.

The quarterly results, Shareholding Pattern, quarterly/half yearly/annual compliances and all other material events or information as detailed in Regulation 30 of the Listing Regulations are filed electronically with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online portal. These communications are also posted on the Company's website.

b) Management Discussion and Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time	:	14th September, 2017 at 10.00 A.M.
Venue	:	PHD House, Sector – 31, Chandigarh
Financial Year	:	2016-17
Date of Book Closure	:	5th September, 2017 to 14th September,2017
Dividend payment date	:	Nil

b) 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.

The Company has paid the Annual Listing fees to the Stock Exchanges.

c) 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

d) Market Price Data

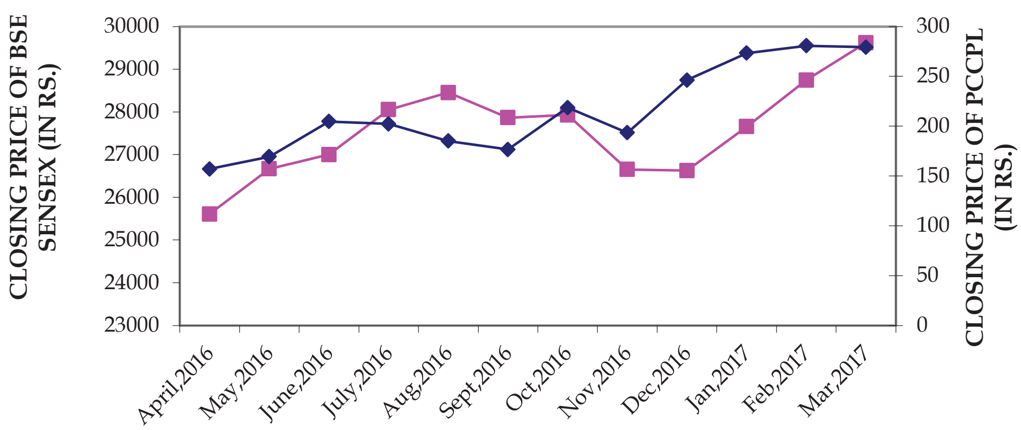
Market price data-monthly high/ low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder:

Month	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
April ,2016	176.00	139.00	177.00	138.55
May,2016	179.20	157.50	183.00	153.10
June,2016	214.40	164.00	214.70	163.10
July,2016	215.00	191.00	215.00	191.65
Aug,2016	224.40	185.05	225.80	182.35
Sept,2016	194.80	166.75	194.50	166.50
Oct,2016	224.95	178.00	224.00	176.40
Nov,2016	278.50	160.00	279.00	157.00
Dec,2016	252.50	191.10	252.00	191.00
Jan,2017	288.95	243.00	289.50	243.30
Feb,2017	297.00	257.75	297.50	255.85
Mar,2017	308.50	275.00	309.00	276.65

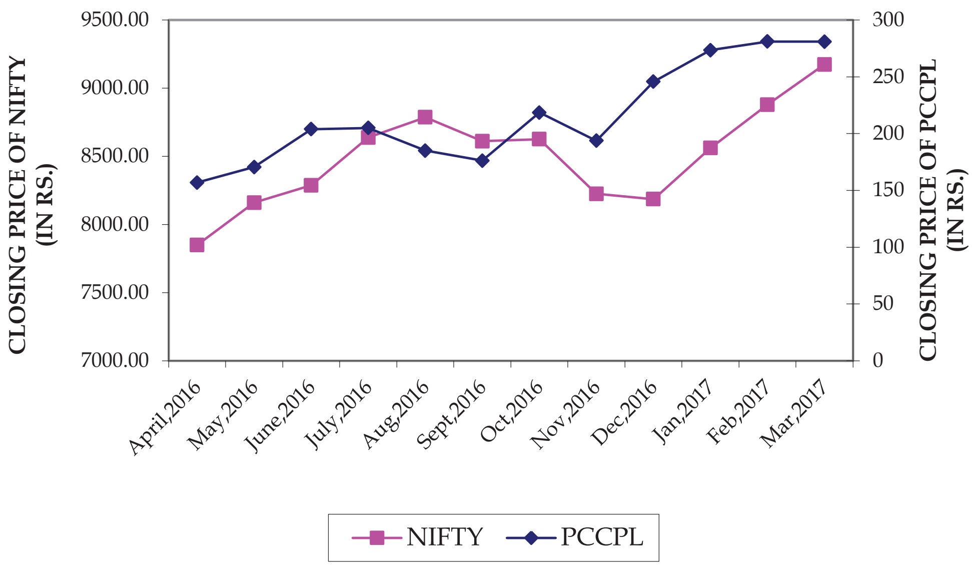
e) Share Price performance in comparison to broad based indices:

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 2016-17:

PCCPL Vs BSE SENSEX



PCCPL Vs NIFTY



f) Registrar and Share Transfer Agent (RTA)

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

g) Share Transfer Process

Shares in physical forms are processed by the RTA within 15 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Whole Time Director and Sr. V.P (Finance) & Company Secretary have been severally, empowered to approve transfers.

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.

A summary of transfer / transmission of shares, etc.,so approved by the Company Secretary is placed before the Stakeholders Relationship Committee.

As per Regulation 40 of the Listing Regulations, 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.

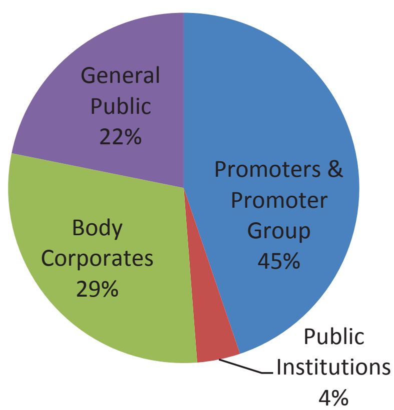
h) Distribution of Shareholding as on March 31, 2017:

FROM-TO	**NO. OF SHAREHOLDERS**		**NO. OF SHARES**		**DEMAT HOLDING**	
Number of Shares	**Number**	**%**	**Number**	**%**	**Number**	**%**
1-500	24,647	96.41	8,89,650	7.25	7,12,693	5.81
501-1000	435	1.70	3,37,091	2.75	3,10,563	2.53
1001-2000	228	0.89	3,44,445	2.81	3,29,727	2.69
2001-3000	75	0.29	1,90,242	1.55	1,90,242	1.55
3001-4000	50	0.20	1,75,950	1.44	1,72,037	1.40
4001-5000	28	0.11	1,27,630	1.04	1,22,630	1.00
5001-10000	52	0.20	3,66,195	2.99	3,59,789	2.93
10001 & above	50	0.20	98,30,982	80.17	98,30,982	80.17
TOTAL	**25,565**	**100.00**	**1,22,62,185**	**100.00**	**1,20,28,663**	**98.08**

i) Categories of Shareholders as on March 31, 2017.

Sr. No.	CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING (%)
A.	**Shareholding of Promoter and Promoter Group**		
1)	Indian	54,93,867	44.80
2)	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group	**54,93,867**	**44.80**
B.	Public Shareholding		
1)	**Institution:**		
a)	Mutual Funds	6,432	0.05
b)	Financial Institutions/Banks	25,009	0.20
c)	Central Govt. / State Govt .Co.	1,22,027	1.00
d)	Foreign Portfolio Investors	3,29,684	2.69
e)	FII	3,913	0.03
	Sub total (B) (1)	**4,87,065**	**3.97**
2)	**Non-Institutions**		
a)	Private Corporate Bodies	36,04,899	29.40
b)	Indian Public	26 56 981	21.67
c)	NRIs	15,673	0.13
d)	Trust	3,700	0.03
	Sub Total (B) (2)	**62,81,253**	**51.23**
	Total Public Shareholding (B)(1)+(B)(2)	**67,68,318**	**55.20**
	TOTAL	**1,22,62,185**	**100.00**

SHAREHOLDING PATTERN



j. Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. NSDL and CDSL.
Percentage of shares held in:

Physical form	:	1.90%
Electronic form with NSDL	:	87.80%
Electronic form with CDSL	:	10.30%

The Company's shares are regularly traded on the BSE and NSE.

k. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any other convertible instruments, conversion dates and likely impact on equity

None

l. Commodity price risk or foreign exchange risk and hedging activities

The Company exports finished goods and imports raw materials. The international trade is primarily in USD and Euro which are major convertible currencies, and to that extent the exposure to forex exchange risk exists. However, exports and imports of the Company are in the same currencies, therefore, a natural hedge for these currencies exist.

The Company has not entered into any hedging activities and not dealt in commodity price or foreign exchange risk activities during the financial year 2016-17.

m. Plant locations

Indian manufacturing locations:

Agro-Chemicals Division	:	Milestone-18, Ambala Kalka Road, P. O. Bhankharpur
Pharma Division – Unit Alpha Drug	:	Villages: Kolimajra & Samalheri, P.O.: Lalru
Industrial Chemical Division	:	Site No. I & II, H.A. Ltd., Compound Pimpri, Pune

Locations (Overseas Subsidiaries)

Sintesis Quimica S.A.I.C	:	Parana 755, 10th Floor, Buenos Aires, Argentina
SD Agchem (Europe) NV	:	Uitbreidingstraat 84/B3 2600, Berchem (Antwerp), Belgium
STS Chemicals (UK) Ltd.	:	288 Oxford Road, Gomersal, Cleckheaton, West Yorkshire, England

n. Address for Correspondence:

1. Investor Correspondence : **For shares held in physical form**

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

For shares in Demat form

To the Depository Participants

2. Any query on Annual Report/ other matters relating to the Company

Registered Office : 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

Corporate Office	:	Plot No. 645-46, 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
Head Office	:	Milestone 18, Ambala Kalka Road P.O.: Bhamkharpur, Derabassi Distt. S.A.S. Nagar (Mohali),Punjab-140 201 Phone :01762-280086/94, Fax :01762-280070 Email: factoryinfo@punjabchemicals.com
Hyderabad Office	:	414, Navketan Complex, Opp. Clock Tower Garden, 62, S.D. Road, Secunderabad -500 003. Ph.:040-27805662; Fax:040-27805663 Email: Jose@ punjabchemicals.com
Ahmedabad Office	:	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
3. Compliance Officer	:	Shri Punit K Abrol, Sr. V.P (Finance) & Secretary
4. Exclusive e-mail ID for the grievance redressal mechanism	:	investorhelp@punjabchemicals.com
5. Corporate website	:	www.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 demat form, for availing the same facility.

11. OTHER DISCLOSURES

a. Related Party Disclosures:

All related party transactions that were entered into during the financial year 2016-17 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the Financial Statements.

The policy on related party transactions as approved by the Board is uploaded on the Company's website and the link for the same is http://punjabchemicals.com/companypolicy.html

b. Statutory Compliance, Strictures and Penalties

The Company has complied with the requirement of the Stock Exchanges, SEBI and other statutory authority on matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company by these authorities.

c. Vigil Mechanism / Whistle Blower Policy:

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The said policy is placed on the website of the Company www.punjabchemicals.com and no personnel of the Company have been denied access to the Audit Committee.

d. 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 Act. The significant accounting policies applied for preparation of financial statements have been set out in the Notes to the Financial Statements.

e. Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

f. Non Mandatory requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

i. Chairman of the Board:

The Chairman of the Company is a Non Executive Director.

ii. Shareholder Rights- Half yearly results:

As the Company's half yearly results are published in English newspapers circulated all over India and in a Hindi newspaper (circulated in Chandigarh) and also posted on the website of the Company www.punjabchemicals.com, the same are not sent to the households of the shareholders of the Company.

iii. Modified opinion in audit report:

The Statutory Auditors has given qualification in the consolidated financial statements which they have carried from the Auditors' Report of the Subsidiary Company namely Sintesis Quimica, S.A.I.C., Argentina (SQ). The auditors of SQ have qualified that the accounts have been prepared on going concern basis instead of liquidation basis.

The details of the qualification given by the Statutory Auditors along with the reply given by the Management is given in the Directors' Report.

iv. Separate Posts of Chairman and Chief Executive Officer:

The Company has separate persons as the Chairperson and the Chief Executive Officer/Managing Director.

v. Reporting of Internal Auditors:

The Internal Auditor reports to the Managing Director and also has the direct access to the Audit Committee.

g. The policy for determining 'material' subsidiaries can be viewed at weblink http://punjabchemicals.com/companypolicy.html

12. MARKET CAPITALISATION AND PRICE-EARNINGS RATIO:

		As on March 31, 2017	As on March 31, 2016
a.	Closing Price (BSE) (₹)	**288.65**	139
b.	Market Capitalisation (₹ in crores)	**353.95**	170.44
c.	Price-Earnings Ratio	**165.89**	4.78

13. UNCLAIMED SHARES:

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense accounts:

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	2988	35910
(ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	1	5
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	5
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year as on 31.03.2017	2987	35905

The voting right on these outstanding shares (lying in the suspense account) shall remain frozen till the rightful owner of such shares claim the shares.

14. 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 audit confirms that the total issued/ paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

17. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, 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, 2017 at its meeting held on May 25, 2017, forms part of this report.

18. GENERAL

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.

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 March 31, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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 of the conditions of the 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 Listing Regulations 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.

For **S.K. Sharma & Associates**

Company Secretaries

Sd/-

S.K. Sharma

FCS No: 374, C.P No. 3864

Place: Chandigarh

Date: May 25, 2017

DECLARATION

As provided under Clause D of schedule V pursuant to Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management laid down by the Company for the financial year ended March 31, 2017.

On behalf of the Board of Directors

Punjab Chemicals & Crop Protection Limited

Shalil Shroff

(Managing Director)

(DIN No.: 00015621)

Mumbai

Date: May 25, 2017

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Shalil Shashikumar Shroff, Managing Director and Vipul Joshi, Chief Financial Officer do hereby certify that in respect of the annual accounts and cash flow statement for the financial year ending on March 31, 2017:

a) We have reviewed financial statements and the cash flow statement for the year 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.

	Shalil Shroff	**Vipul Joshi**
Place: Mumbai	**Managing Director**	**Chief Financial Officer**
Date: May 25 2017	**(DIN No.: 00015621)**	

INDEPENDENT AUDITOR'S REPORT

To the Members of Punjab Chemicals and Crop Protection Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Punjab Chemicals and Crop Protection Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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, 2017, 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 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 standalone 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;

   iv. The Company has provided requisite disclosures in Note 44 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by 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 25, 2017

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 within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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, duty of custom, duty of excise , 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 delays observed in large number of cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) 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	2008-2010	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

(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. 2,146 lacs (delay from 1 day to 1369 days) and Rs. 524 lacs of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

(Rs. In Lacs)

Particulars	Amount of the default as the Balance sheet date	Period of default since
EXIM Bank	86	31-03-17
Central Bank of India	27	31-03-17
Allahabad Bank	331	31-03-17
Union Bank of India	80	31-03-17

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 by 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 25, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PUNJAB CHEMICALS AND 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 and Crop Protection Limited ("the Company") as of March 31, 2017 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, 2017, 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 **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 25, 2017

BALANCE SHEET AS AT 31 MARCH 2017

Rs. in lacs

	Notes	31 March 2017	31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**1,226**	1,226
Reserves and surplus	4	**4,439**	4,248
		5,665	5,474
Non-current liabilities			
Long-term borrowings	5	**6,165**	9,854
Long-term provisions	6	**1,108**	1,056
		7,273	10,910
Current liabilities			
Short-term borrowings	7	**4,983**	4,963
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	8a	**7,840**	5,565
Other current liabilities	8b	**7,909**	8,021
Short-term provisions	6	**1,183**	984
		21,915	19,533
Total		**34,853**	35,917
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	9	**16,192**	16,407
Intangible assets	10	**709**	1,139
Capital work-in-progress		**496**	232
Intangible assets under development		**126**	146
Non-current investments	11	**623**	348
Loans and advances	12	**2,650**	3,221
Trade receivables	13	**-**	-
Other non-current assets	14	**175**	176
		20,971	21,669
Current assets			
Current investments	15	**3**	3
Inventories	16	**5,496**	4,507
Trade receivables	13	**4,787**	5,555
Cash and bank balances	17	**229**	187
Loans and advances	12	**2,653**	2,071
Other current assets	14	**714**	1,925
		13,882	14,248
Total		**34,853**	35,917
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 **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 25, 2017

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 25, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

Rs. in lacs

	Notes	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Income			
Revenue from operations (gross)	18	**42,235**	36,987
Less: Excise duty		**1,124**	1,309
Revenue from operations (net)		**41,111**	35,678
Other income	19	**2,544**	1,252
Total revenue		**43,655**	36,930
Expenses			
Cost of raw materials consumed	20	**23,837**	19,906
Purchase of traded goods	21	**242**	49
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	**(385)**	168
Employee benefits expense	23	**4,836**	4,397
Operating and other expenses	24	**11,674**	8,594
Total expenses		**40,204**	33,114
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)		**3,451**	3,816
Depreciation and amortization expenses	25	**1,431**	1,544
Finance costs	26	**1,807**	2,147
Profit before tax and exceptional items		**213**	125
Exceptional (Expenses) / Incomes	27	**-**	3,446
Profit before tax		**213**	3,571
Tax Expense			
Current tax			
Pertaining to profit for the current year		**-**	122
MAT credit entitlement		**-**	(113)
Total tax expenses		**-**	9
Profit for the year		**213**	3,562
Earnings per equity share [nominal value of share Rs. 10 each (31 March 2016: Rs. 10 each)]			
Basic and diluted (in Rs.)	28	1.74	29.05
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 **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 25, 2017

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 25, 2017

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Cash flow from operating activities		
Profit before tax	**213**	3,571
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	**1,431**	1,544
Write back of borrowings along with accrued interest	**-**	(4,577)
Sundry credit balance written back (net)	**(39)**	(67)
Provision for doubtful debt and advance written back	**(2,278)**	-
Interest income	**(167)**	(210)
Income in respect of government grants	**(22)**	(5)
Interest Expense	**1,807**	2,147
Profit on sale of plant, property and equipment (net)	**-**	(124)
Unrealised foreign exchange Loss/(Gain) (net)	**194**	(492)
Bad debt and advances written off	**54**	44
Property, plant and equipment discarded / scrapped	**-**	1,131
Equipment written off	**409**	10
Loss on sale of plant, property and equipment (net)	**77**	-
Investment written off	**81**	-
Provision for doubtful recovery of VAT	**186**	-
Provision for slow/non-moving inventories	**169**	-
Provision for doubtful advances (net)	**-**	230
Provision for diminution in value of Investments	**2,236**	-
Provision for doubtful debts (net)	**137**	905
Operating Profit before working capital changes	**4,488**	4,107
Movement in working capital		
Decrease/(Increase) in trade receivables	**(265)**	(274)
Decrease/(Increase) in inventories	**(989)**	1,212
Decrease/(Increase) in other current assets and non-current assets	**21**	302
Decrease/(Increase) in long-term and short-term loans and advances	**503**	373
Increase/(Decrease) in trade payables and other current liabilities	**1,513**	2,311
Increase/(Decrease) in long-term and short-term provisions	**251**	166
Cash generated from / (used) in operations	**5,522**	8,197
Direct taxes paid (net of refunds)	**(160)**	(113)
Net cash generated from / (used) in operating activities	**5,362**	8,084
Cash Flow from investing activities		
Purchase property, plant and equipment including CWIP and capital advances	**(1,508)**	(806)
Proceeds from sale of property, plant and equipment	**(51)**	1,786
Investment in Shares and Mutual funds	**(0)**	0
Investment in Fixed deposits (with maturity more than three months)	**10**	(53)
Interest received	**154**	224
Net cash flow from /(used) in investing activities	**(1,395)**	1,151

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Cash flow from financing activities		
Proceeds from borrowings	**83**	221
Repayments of borrowings	**(2,261)**	(7,173)
Interest Paid	**(1,737)**	(2,797)
Net cash flow from (used) in financing activities	**(3,915)**	(9,749)
Net increase/(decrease) in cash and cash equivalents	**52**	(513)
Cash and cash equivalents at the beginning of the year	**115**	628
Cash and cash equivalents at the end of the year	**167**	115
Components of cash & cash equivalents		
Cash on hand	**7**	6
With banks		
a) on current account	**146**	107
b) on deposit account with original maturity of less than three months	**14**	-
c) on unpaid dividend account*	**-**	2
Total cash & cash equivalents (note 17)	**167**	115

*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 25, 2017

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 25, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Corporate information

Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Company") is a Public Limited Company incorporated in India. 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 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules 2016. 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.

B) As at March 31 2017 the current liabilities have exceeded current assets by Rs. 8,033 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

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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 Equipement and capital work in progress are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and accumulated impairment losses 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 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 Plant, Property and Equipement 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.

Gains or losses arising from derecognition of Plant, Property and Equipment are measured as difference between net disposal proceeds and carrying amount of the asset and are recognised in Statement of Profit and Loss when the asset is derecognised.

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

Intangible assets acquired separaetly on initial recognition are carried at cost. Following initial recognition intangible assets are carried at cost less accumulated amortisation and accumulated impairment 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 i.e. 99 years.

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	5 to 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

<u>Finance lease</u>

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 Plant, Property and Equipment. 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 which 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. The following specific recognition criteria must also be met before revenue is recognised.

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 reporting 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, Merchandise Export from India Scheme (MEIS) and Duty draw back scheme 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 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 and 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. Income Taxes

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 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

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 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.

3. Share capital

Rs. in lacs

	31 March 2017	31 March 2016
Authorized shares		
19,800,000 (31 March 2016: 19,800,000) equity shares of Rs. 10/- each	**1,980**	1,980
20,000 (31 March 2016: 20,000) 9.8% redeemable cumulative preference shares of Rs. 100/- each	**20**	20
	2,000	2,000
Issued shares		
12,277,218 (31 March 2016: 12,277,218) equity shares of Rs. 10/- each	**1,228**	1,228
Subscribed and fully paid-up shares		
12,262,185 (31 March 2016: 12,262,185) equity shares of Rs. 10/- each	**1,226**	1,226
	1,226	1,226

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

Equity shares	31 March 2017		31 March 2016	
	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 2017 In numbers	31 March 2016 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
	69,293	69,293

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

	31 March 2017		31 March 2016	
	Numbers	% holding	Numbers	% holding
Equity shares of Rs. 10 each fully paid-up				
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 2017	31 March 2016
Capital reserve	**309**	309
Capital redemption reserve	**28**	28
Capital reduction reserve	**21**	21
Securities premium reserve	**5,707**	5,707
Capital subsidy from state government	**35**	35
Amalgamation reserve	**19**	19

(Rs. in lacs)

	31 March 2017	31 March 2016
Government grant		
Balance as per last financial statements	**15**	18
Less: Grant recognized in the statement of profit and loss	**15**	3
	-	15
Development aid grant UNIDO		
Balance as per last financial statements	**20**	22
Less: Grant recognized in the statement of profit and loss	**7**	2
	13	20
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	**(1,906)**	(5,468)
Add: Profit for the year	**213**	3,562
Net deficit in the statement of profit and loss	**(1,693)**	(1,906)
Total reserves and surplus	**4,439**	4,248

5. Long-term borrowings

(Rs. in lacs)

	Non current portion		Current maturities	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Term loans				
From banks				
Term loan (secured) (refer note a to d below and note 48b)	**6,136**	9,842	**3,577**	1,972
Vehicle finance scheme (secured) (refer note g below)	**10**	-	**6**	-
From others				
Vehicle finance scheme (secured) (refer note h & i below)	**10**	-	**5**	-
Housing finance scheme (secured) (refer note f below)	**9**	12	**2**	2
Other loans and advances				
Working Capital Demand Loans from Banks (secured) (refer note a and e below and note 48c)	**-**	-	**51**	177
	6,165	9,854	**3,641**	2,151
The above amount includes				
Secured borrowings	**6,165**	9,854	**3,641**	2,151
Unsecured borrowings	**-**	-	**-**	-
Amount disclosed under the head "Other current liabilities" (note 8b)	-	-	**(3,641)**	(2,151)
	6,165	9,854	**-**	-

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. 9,713 lacs (Previous year Rs. 11,814 lacs) and working capital demand loan amounting to Rs. 51 lacs (Previous year Rs. 177 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. 5,258 lacs (Previous year: Rs. 6,516 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 347 lacs (Previous year: Rs. 269 lacs) is overdue for a period of 1-91 days (Previous year 1 day) as on the reporting date.

c. Working Capital Term Loans amounting to Rs. 2,121 lacs (Previous year: Rs. 2,546 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 38 lacs (Previous year: Rs. 14 lacs) is overdue for a period of 1 day (Previous year 1 day) as on the reporting date.

d. Funded Interest Term Loan amounting to Rs. 2,334 lacs (Previous year: Rs. 2,752 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 87 lacs (Previous year: 54 lacs) is overdue for a period of 1 day (Previous year 1 day) as on the reporting date.

e. Working Capital Demand Loans amounting to Rs. 51 lacs (Previous year: Rs. 177 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount Rs. 51 lacs (Previous year: Rs. 177 lacs) is overdue for 1644 days (Previous year 1279 days) as on the reporting date. (Refer note 48c for further details)

f. Loan from Housing Development Finance Corporation Limited for Rs. 11 lacs (Previous year: Rs. 14 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 36 EMIs.

g. Loan from Axis Bank Limited under Vehicle Finance Scheme amounting to Rs. 16 lacs (Previous year: Nil) is secured by exclusive charge by way of hypothication of vehicles purchased under said Scheme and carrying interest rate of 9.41% and is repayable in 32 EMIs.

h. Loan from Kotak Mahindra Prime Limited under Vehicle Finance Scheme amounting to Rs. 7 lacs (Previous year: Nil) is secured by exclusive charge by way of hypothication of vehicles purchased under said Scheme and carrying interest rate of 9.4% and is repayable in 32 EMIs.

i. Loan from Mahindra & Mahindra FInance Services Limited under Vehicle Finance Scheme amounting to Rs. 8 lacs (Previous year: Nil) is secured by exclusive charge by way of hypothication of vehicles purchased under said Scheme and carrying interest rate of 9.4% and is repayable in 36 EMIs.

6. Provisions

Rs. in lacs

		Long-term		Short-term	
		31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Provision for employee benefits					
Provision for gratuity (refer note 29)		**1,108**	1,056	**212**	120
Provision for leave encashment		**-**	-	**615**	508
	(A)	**1,108**	1,056	**827**	628
Other provisions					
Provision for taxation (net)		**-**	-	**356**	356
	(B)	**-**	-	**356**	356
	(A+B)	**1,108**	1,056	**1,183**	984

7. Short-term borrowings

Rs. in lacs

	31 March 2017	31 March 2016
Cash credit from banks (secured) (refer note a and b below and note 48c)	**4,669**	4,619
Inter-corporate deposit repayable on demand (unsecured)	**314**	344
	4,983	4,963
The above amount includes		
Secured borrowings	**4,669**	4,619
Unsecured borrowings	**314**	344
	4,983	4,963

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. 4,669 lacs (Previous year: Rs. 4,619 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. 4,669 lacs (Previous year: Rs. 4,619 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.).

c. Inter-corporate deposits amounting to Rs. 314 lacs (Previous year: Rs. 344 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 2017	31 March 2016
8a. Trade payables		
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	7,840	5,565
	7,840	5,565

8b. Other current liabilities

	31 March 2017	31 March 2016
Current maturities of long term borrowings (refer note 5)	3,641	2,151
Payables for fixed assets	254	210
Interest accrued and due on borrowings	217	147
Book overdraft	3	60
Due to subsidiaries	1,173	1,268
Employee related liabilities	319	339
Interest bearing security deposits from customers	58	62
Security Deposit from Others	239	226
Advance for sale of Fixed Assets (Refer note 46)	45	1,025
Advance from customers	910	1,641
Investor education and protection fund will be credited by the following amounts (as and when due) (Refer note below)		
Unclaimed dividend	-	2
Other liabilities	1,050	890
	7,909	8,021
	15,749	13,586

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 (a) and (b))	Buildings (Refer note (a) and (c)	Plant and equipments (Refer note (d))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
Cost or valuation							
As at 1 April 2015	6,278	8,842	18,681	500	704	634	35,639
Additions		20	858	6	23	0	907
Disposals	296	1,694	1,584	102	199	-	3,875
Assets held for Sale (Refer note 46)		1,548	80	-	-	-	1,628
As at 31 March 2016	**5,982**	**5,620**	**17,874**	**405**	**528**	**635**	**31,043**
Additions		5	680	7	21	460	1,173
Disposals		101	426		0.4	149	676
Assets held for Sale (Refer note 46)							-
As at 31 March 2017	**5,982**	**5,525**	**18,129**	**410**	**549**	**944**	**31,540**

	Land (Refer note (a) and (b))	Buildings (Refer note (a) and (c)	Plant and equipments (Refer note (d))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
Depreciation							
As at 1 April 2015	69	2,883	10,547	353	621	421	14,894
Charge for the year	10	254	924	27	18	28	1,261
Disposals	17	276	631	79	187	-	1,190
Assets held for Sale (Refer note 46)	-	281	48	-	-	-	329
As at 31 March 2016	**63**	**2,580**	**10,792**	**302**	**452**	**449**	**14,636**
Charge for the year	9	188	854	19	24	59	1,153
Disposals		26	274		0.3	141	441
Assets held for Sale (Refer note 46)							-
As at 31 March 2017	**71**	**2,743**	**11,372**	**320**	**476**	**367**	**15,348**
Net Block							
As at 31 March 2016	5,919	3,040	7,082	103	76	186	16,407
As at 31 March 2017	**5,911**	**2,782**	**6,757**	**91**	**73**	**578**	**16,192**

(a) Revaluations

In 2010-11, the company had 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.

(b) Land includes land held on leasehold basis:

	31 March 2017 Rs. in lacs	31 March 2016 Rs. in lacs
Gross block	**587**	587
Depreciation charge for the year	**9**	10
Accumulated depreciation	**71**	62
Net book value	**516**	525

(c) Buildings and plant & equipments includes assets given on operating lease

	31 March 2017 Rs. in lacs	31 March 2016 Rs. in lacs
Gross block	**4,089**	4,546
Depreciation charge for the year	**231**	311
Accumulated depreciation	**1,504**	1,524
Net book value	**2,585**	3,022

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.

(d) Plant and machinery includes Rs. 44 lacs (Previous year: Rs. 44 lacs) worth of equipments acquired under UNIDO grant scheme.

10. Intangible assets

(Rs. in lacs)

	Computer software / license	Product registrations (Refer note (a) and (b))	Technical Know how (Refer note (c))	Total
Gross Block				
As at 1 April 2015	133	2,286	263	2,682
Additions	1	26	177	204
Disposals	-	-	168	168
As at 31 March 2016	134	2,312	272	2,718
Additions	-	6	42	48
Disposals	-	621	-	621
As at 31 March 2017	**134**	**1,697**	**315**	**2,145**
Amortization				
As at 1 April 2015	120	1,189	57	1,366
Charge for the year	14	229	40	283
Disposals	-	-	70	70
As at 31 March 2016	134	1,418	27	1,579
Charge for the year	-	219	59	278
Disposals	-	421	-	421
As at 31 March 2017	**134**	**1,216**	**86**	**1,436**
Net Block				
As at 31 March 2016	-	894	245	1,139
As at 31 March 2017	**-**	**481**	**229**	**709**

a. Product registration includes testing charges, task force studies and other related expenses.
b. Remaining period of amortization of product registration expenses ranges from 13 to 79 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 17 to 49 months.

11. Non-current investments

(Rs. in lacs)

	31 March 2017	31 March 2016
Trade investments (valued at cost unless otherwise stated)		
Unquoted equity instruments		
Investment in subsidiaries		
16,612 (Previous year: 10,823) equity shares of Euro 615 each fully paid-up in SD Agchem (Europe) N.V. (Refer Note-49 and 50)	**5,463**	3,825
Less: Provision for diminution in value of investments	**(4,860)**	(3,501)
	603	324
2,000 (Previous year: 2,000) equity shares of GBP 1 each fully paid-up in STS Chemicals (UK) Limited	**2**	2
Less: Provision for diminution in value of investments	**(2)**	-
Investment in joint venture		
Nil (Previous year: 22,470) equity shares of Rs. 10/- each fully paid-up in Stellar Marine Paints Limited	**0**	2
Investment in others		
84,375 (Previous year: 84,375) equity shares of Rs. 10/- each fully paid-up in Nimbua Green Field (Punjab) Limited	**8**	8

		31 March 2017	31 March 2016
1,00,000 (Previous year: 1,00,000) equity shares of Rs. 10/- each fully paid-up in Mohali Green Field Limited		**10**	10
	(A)	**621**	346
Non trade investments (valued at cost unless otherwise stated)			
Quoted equity instruments			
1,700 (Previous year: 1,700) equity shares of Rs. 10/- each fully paid-up in Dena Bank Limited		**0.51**	0.51
400 (Previous year: 400) equity shares of Rs. 10/- each fully paid-up in Syndicate Bank Limited		**0.04**	0.04
		1	1
Unquoted equity instruments			
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)
		1.00	1.00
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)
		-	-
Unquoted other non-current investments			
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)	**2**	2
	(A+B)	**623**	348
Aggregate amount of quoted investments (Market value Rs. 0.94 lacs (Previous year: Rs. 0.74 lacs))		**0.55**	0.55
Aggregate amount of unquoted investments		**622**	347
Aggregate provision for diminution in value of investments		**4,866**	3,505
Movement in provision for diminution in the value of Investment			
At the beginning of the year		**3,505**	3,505
Add: Provision made during the year		**2,236**	-
		5,741	3,505
Less: Reversal of provision on account of Investment written off		**875**	-
At the end of the year		**4,866**	3,505

12. Loans and advances

Rs. in lacs

	Non-current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Capital advances (unsecured, considered good)	**96**	9	**-**	-
Security deposit (unsecured, considered good)	**198**	206	**39**	38
(A)	**294**	215	**39**	38
Loans and advances to related parties				
Unsecured considered good	-	-	**1,175**	1,004
Unsecured considered doubtful	**14**	14	**1,175**	1,760
	14	14	**2,350**	2,764
Provision for doubtful advances	**14**	14	**1,175**	1,760
(B)	**-**	-	**1,175**	1,004
Advances recoverable in cash or kind				
Unsecured considered good	**1,220**	2,030	**902**	398
Unsecured considered doubtful	**-**	-	**24**	24
	1,220	2,030	**926**	422
Provision for doubtful advances	**-**	-	**24**	24
(C)	**1,220**	2,030	**902**	398
Other loans and advances (unsecured, considered good unless otherwise stated)				
Advance tax (net)	**1,023**	863	**-**	-
MAT credit entitlement	**113**	113	**-**	-
Prepaid Expense			**89**	50
Balance with excise and customs	**-**	-	**201**	259
VAT recoverable	**-**	-		
Unsecured considered good			**247**	322
Unsecured considered doubtful			**186**	-
			433	322
Provision for doubtful recoverable			**186**	-
			247	322
(D)	**1,136**	976	**537**	631
(A+B+C+D)	**2,650**	3,221	**2,653**	2,071
Movement in provision for doubtful advances / deposits				
At the beginning of the year			**1,798**	1,877
Add: Provision made during the year			**186**	230
			1,984	2,107
Less: Provision transferred on account of regrouping of advances in Trade Receivable			**106**	-
Less: Advances written off against which provision was made/Reversal of provision (Refer Note 19)			**479**	309
At the end of the year			**1,399**	1,798

	Long-term	
	31 March 2017 Rs. in lacs	31 March 2016 Rs. in lacs
Loans and advances to related parties include		
Dues from Sintesis Quimica SAIC (maximum amount due Rs. 14 lacs (Previous year: Rs. 323 lacs))	**14**	14
	14	14

	Current	
	31 March 2017 Rs. in lacs	31 March 2016 Rs. in lacs
Loans and advances to related parties include		
Dues from SD Agchem (Europe) N.V. (maximum amount due Rs. 2725 lacs (Previous year: Rs. 2,725 lacs))	**2,315**	2,725
Dues from STS Chemicals (UK) Limited (maximum amount due Rs. 39 lacs (Previous year: Rs. 39 lacs))	**33**	39
	2,348	2,764

13. Trade receivables

Rs. in lacs

	Non-current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	**-**	-	**198**	1,199
Doubtful	**161**	166	**1,020**	2,571
	161	166	**1,219**	3,770
Other receivables				
Secured, considered good	**-**	-	**-**	-
Unsecured, considered good	**-**	-	**4,588**	4,356
	-	-	**4,588**	4,356
Less: Provision for doubtful trade receivables	**161**	166	**1,020**	2,571
	-	-	**4,787**	5,555
Trade receivables includes dues from related parties				
Dues from SD Agchem (Europe) N.V.	**-**	-	**35**	3,037
Dues from Sintesis Quimica S.A.I.C	**162**	166	**-**	-
	162	166	**35**	3,037
Movement in provision for doubtful debts				
At the beginning of the year			**2,737**	3,783
Add: Provision transferred on account of regrouping of Advances in Trade Receivable			**106**	-
Add: Provision made during the year (Refer Note 24)			**137**	905
			2,981	4,688
Less: Bad debts written off against which provision was made/Reversal of provision (Refer Note 19)			**1,800**	1,951
At the end of the year			**1,181**	2,737

14. Other assets

Rs. in lacs

	Non-current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Non-current bank balances (refer note 17)	**175**	176	**-**	-
Interest receivable	**-**	-	**49**	36
Export benefit receivable	**-**	-	**548**	590
Insurance claim receivable	**-**	-	**3**	1
Assets held for Sale (refer note 46 a & b)	**-**	-	**28**	1,232
Job work charges receivable	**-**	-	**86**	60
Other Receivable			**-**	6
	175	176	**714**	1,925

15. Current investments

Rs. in lacs

	31 March 2017	31 March 2016
Unquoted current investments		
30,000 (Previous year: 30,000l) units of Rs. 10/- each in Baroda Pioneer Hybrid Fund Series 1-Plan A Growth	**3**	3
	3	3

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

Rs. in lacs

	31 March 2017	31 March 2016
Raw materials (includes in transit Rs. 1.23 lacs (Previous year: Rs. 3 lacs))	**1,856**	1,139
Work-in-progress	**977**	710
Finished goods	**2,448**	2,319
Packing materials	**71**	73
Stores and spares (including fuel)	**144**	266
	5,496	4,507

17. Cash and bank balances

Rs. in lacs

	Non-current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Cash and cash equivalents				
Balance with banks:				
on current accounts	**-**	-	**146**	107
on fixed deposits with original maturity of less than three months	**-**	-	**14**	-
on unpaid dividend account	**-**	-	**-**	2
Cash on hand	**-**	-	**7**	6
	-	-	**167**	115
Other bank balances				
Deposits with original maturity for more than 12 months	**4**	1	**-**	2
Deposits with original maturity for less than 12 months	**-**	-	**53**	53
Margin money deposit*	**171**	174	**9**	17
	175	175	**62**	72
Amount disclosed under non-current assets (note 14)	**(175)**	(175)	**-**	-
	-	-	**229**	187

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

18. Revenue from Operations

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Sale of products		
Finished goods	**37,847**	34,386
Traded goods	**253**	45
Sale of services	**2,408**	1,270
Other operating revenue		
Scrap sales	**85**	104
Export benefit	**1,186**	726
Lease rentals	**456**	456
Revenue from operations (gross)	**42,235**	36,987
Less: Excise duty#	**1,124**	1,309
Revenue from operations (net)	**41,111**	35,678

Excise duty on sales amounting to Rs. 1,124 lacs (Previous year: Rs. 1,309 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. 11 lacs (Previous year: (Rs. 44 lacs) has been considered as (income) / expenses in note 22 of the financial statements.

Rs. in lacs

Details of products sold	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Finished goods sold		
Agro chemicals and intermediates	**23,535**	20,903
Bulk drugs and intermediates	**6,837**	5,357
Phosphorous and its compounds	**2,878**	2,854
Other chemicals	**4,597**	5,272
	37,847	34,386
Traded goods sold		
Formulated goods	**-**	-
Other chemicals	**253**	45
	253	45
Details of services rendered		
Job work income	**2,407**	1,132
Micronisation and handling charges	**1**	138
	2,408	1,270

19. Other income

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Interest income on		
Bank deposits	**20**	34
Others	**147**	176
Government grants	**22**	5
Exchange difference (net)	**-**	762
Provision for Doubtful Debt & Advance written back (Refer note 12, 13, 49 & 50)	**2,278**	-

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Profit on sale of fixed assets (net)	**-**	124
Service charges	**10**	13
Sundry credit balances written back (net)	**39**	67
Rent income	**26**	70
Miscellaneous Income	**2**	1
	2,544	1,252

20. Cost of raw materials consumed

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Stock of raw material at the beginning of the year	**1,139**	2,045
Add: Purchases	**25,038**	19,203
	26,177	21,248
Less: Sale of raw materials	**484**	203
Less: Stock of raw material at end of the year	**1,856**	1,139
	2,340	1,342
Cost of raw materials consumed	**23,837**	19,906
Details of raw materials consumed		
Agro chemicals and its intermediates	**14,741**	12,319
Speciality chemicals for Bulk drugs and intermediates	**3,622**	2,727
Oxalic acid and oxalates	**3,287**	2,721
Other chemicals	**2,187**	2,139
	23,837	19,906

21. Purchase of traded goods

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Other chemicals	**242**	49
	242	49

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

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Inventories at the end of the year		
Work-in-progress	**977**	710
Finished goods	**2,448**	2,319
	3,425	3,029
Inventories at the beginning of the year		
Work-in-progress	**710**	564
Finished goods	**2,319**	2,678
	3,029	3,241
(Increase)/Decrease in excise duty on closing stock of finished goods	**11**	(44)
	(385)	168

Rs. in lacs

Details of inventories	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Work-in-progress		
Agro chemicals and intermediates	**453**	220
Bulk drugs and intermediates	**479**	425
Sulphur based compounds	**19**	33
Other chemicals	**26**	32
	977	710
Finished goods		
Bulk drugs and intermediates	**935**	833
Agro chemicals and intermediates	**1,277**	1,181
Other chemicals	**236**	305
	2,448	2,319

23. Employee benefits expense

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Salaries, wages and bonus	**3,755**	3,396
Contribution to provident and other funds	**417**	426
Gratuity and leave encashment expense (refer note 29)	**260**	195
Staff welfare expenses	**404**	380
	4,836	4,397

24. Operating and Other expenses

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Consumption of stores and spares	**334**	229
Power and fuel	**3,469**	3,301
Repairs and maintenance - plant and machinery	**752**	520
Repairs and maintenance - buildings	**103**	53
Repairs and maintenance - others	**20**	41
Sub-contracting charges	**366**	274
Rent	**161**	88
Rates and taxes	**153**	87
Insurance charges	**72**	64
Bad debt and advances written off	**54**	44
Postage, telegrams and telephones	**36**	35
Traveling and conveyance	**500**	476
Commission on sales (other than sole selling agents)	**163**	57
Discount on sales	**48**	58
Provision for doubtful advances (net) (refer note 12)	**-**	230
Packing expenses	**531**	456
Freight and handling expenses	**597**	468
Job work expenses	**37**	20
Director's sitting fees	**14**	11
Charity and donations (other than political parties)	**3**	2

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
CSR expenditure (refer note B below)	**42**	13
Payment to auditors (refer note A below)	**32**	31
Sundry balances written off	**6**	-
Fixed Assets Written Off	**409**	10
Loss on sale of plant, property and equipment (net)	**77**	-
Provision for doubtful debts (net) (refer note 13)	**137**	905
Loss on sale of investment	**2**	-
Investment witten off (net of provision written back of Rs. 875 lacs) (Refer note 50)	**81**	-
Provision for dimunition in the value of investments (Refer note 49)	**2,236**	-
Research and development expenses	**97**	61
Marketing and promotional expenses	**30**	46
Exchange difference (net)	**36**	-
Miscellaneous expenses	**1,076**	1,014
	11,674	8,594
A) Payment to auditor		
As auditor:		
Audit fee	**23**	20
Limited review	**9**	9
In other capacity:		
Certification charges	**-**	1
Reimbursement of expenses	**-**	1
	32	31

B) Details of CSR expenditure

a) Gross amount required to be spent by the Company: 42

b) Amount spent during the year ending on 31st March 2017	In cash	Yet to be paid in cash	Total
i) Construction / acquisiton of any assets	42	-	42
ii) On purpose other than (i) above	-	-	-
	42	**-**	**42**

a) Gross amount required to be spent by the Company: 13

b) Amount spent during the year ending on 31st March 2016	In cash	Yet to be paid in cash	Total
i) Construction / acquisiton of any assets			
ii) On purpose other than (i) above	7	2	9
	1	3	4
	8	5	13

25. Depreciation and amortization expenses

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Depreciation on tangible assets	**1,153**	1,261
Amortization of intangible assets	**278**	283
	1,431	1,544

26. Finance costs

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Interest on loans and deposits	**1,148**	1,397
Interest on cash credit accounts	**440**	519
Interest on others	**212**	229
Bank charges	**7**	2
	1,807	2,147

27. Exceptional items (Expense) / Income

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Write back of borrowings along with accrued interest on One Time Settlement (refer note 48a)	**-**	4,577
Property, Plant and Equipment discarded / scrapped (refer note 46b)	**-**	(1,131)
	-	3,446

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 2017	31 March 2016
Profit after tax for the year for calculation of basic and diluted EPS	**213**	3,562
Weighted average number of equity shares in calculating basic and diluted EPS (in numbers)	**1,22,62,185**	1,22,62,185
Earnings per share (basic and diluted) (in Rs.)	**1.74**	29.05

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.

Rs. in lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Contribution to provident fund	**265**	241
Contribution to superannuation fund	**137**	174
	402	415

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 2017	31 March 2016
Current service cost	**71**	63
Interest cost on benefit obligation	**106**	100
Expected return on plan assets	**(13)**	(14)
Net actuarial (gain)/loss recognized in the year	**(8)**	(31)
Net benefit expenses	**156**	118
Actual return on plan assets	**(9)**	(11)

Balance sheet

Benefit asset/liability

Rs. in lacs

	31 March 2017	31 March 2016
Present value of defined benefit obligation	**(1,464)**	(1,327)
Fair value of plan assets	**144**	151
Plan asset/(liability)	**(1,320)**	(1,176)

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

Rs. in lacs

	31 March 2017	31 March 2016
Opening defined benefit obligation	**1,327**	1,247
Current service cost	**71**	63
Interest cost	**106**	100
Benefits paid	**(32)**	(52)
Actuarial (gains)/losses on obligation	**(8)**	(31)
Closing defined benefit obligation	**1,464**	1,327

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

Rs. in lacs

	31 March 2017	31 March 2016
Opening fair value of plan assets	**152**	159
Expected return	**13**	14
Contributions by employer	**10**	60
Benefits paid	**(29)**	(82)
Actuarial gains/(losses)	**(0.45)**	0.14
Closing fair value of plan assets	**145**	151
Contribution for the next year	**146**	139

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

	31 March 2017	31 March 2016
Investments with insurer	**100%**	100%
	100%	100%

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

	31 March 2017	31 March 2016
Discount rate	**7.50%**	8.00%
Expected return on plan assets	**8.25%**	8.35%
Employee turnover	**2.00%**	2.00%
Expected rate of salary increase -Agro Chemical unit	**5.00%**	5.00%

Expected rate of salary increase -Other units	**5.00%**	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 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	**1,464**	1,327	1,247	1,229	1,091
Plan assets	**144**	151	159	296	346
Surplus/(deficit)	**(1,320)**	(1,176)	(1,088)	(933)	(745)
Experience adjustment on plan liabilities	**25**	28	(96)	(168)	(11)
Experience adjustment on plan assets	**(0.47)**	(0.49)	(2)	21	(17)

30. Interest in joint venture

The Company has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. During the year the Company has sold its interest on November 11 2016. Accordingly, the proportionate interest of the Company in the said entity as per the certified management accounts as at 11 November 2016 is as under:

Rs. in lacs

	11 November 2016	31 March 2016
Current assets	**0.05**	1
Current liabilities	**54**	54
Equity	**(54)**	(53)

	11 April 2016 to 11 Nov 2016	1 April 2016 to 31 March 2016
Revenue	**-**	-
Operating and other expenses	0.48	1
Loss before tax	**(0.48)**	(1)
Income tax expenses	**-**	-
Loss after tax	**(0.48)**	(1)

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.

Year ended 31 March 2017 (Rs. in lacs)

	Chemicals	**Bulk drugs and intermediates**	**Eliminations**	**Total**
Revenue from operations				
External	**34,543**	**6,568**	**-**	**41,111**
Inter-segment	**-**	**-**	**-**	**-**
Total revenue from operations	**34,543**	**6,568**	**-**	**41,111**

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
Results				
Segment results	**2,362**	**(240)**	**-**	**2,122**
Unallocated expenses net of (unallocable income)				**102**
Operating profit				**2,020**
Finance costs				**1,807**
Exceptional items (Expense) / Income				**-**
Profit before tax				**213**
Tax expenses				**-**
Profit after tax				**213**
As at 31 March 2017				
Segment assets	**24,503**	**8,560**	**-**	**33,063**
Unallocated assets				**1,790**
Total assets	**24,503**	**8,560**	**-**	**34,853**
Segment liabilities	**11,640**	**2,186**	**-**	**13,826**
Unallocated liabilities				**15,362**
Total liabilities	**11,640**	**2,186**	**-**	**29,188**
Other segment information				
Capital expenditure:				
Tangible assets	**613**	**824**	**-**	**1,437**
Intangible assets	**28**	**-**	**-**	**28**
Depreciation	**874**	**279**	**-**	**1,153**
Amortization	**278**	**-**	**-**	**278**
Other non-cash expenses	**2,879**	**38**	**-**	**2,917**
Unallocable non-cash expenses	**-**	**-**	**-**	

Year ended 31 March 2016

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
Revenue				
External	30,399	5,279	-	35,678
Inter-segment	-	195	(195)	-
Total revenue	30,399	5,474	(195)	35,678
Results				
Segment results	2,709	(414)	-	2,295
Unallocated expenses net of (unallocable income)				23
Operating profit				2,272
Finance costs				2,147
Exceptional items (Expense) / Income				3,446
Profit before tax				3,571
Tax expenses				9
Profit after tax				3,562
As at 31 March 2016				
Segment assets	25,375	7,983	-	33,358

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
Unallocated assets				2,559
Total assets	25,375	7,983	-	35,917
Segment liabilities	10,886	2,086	-	12,972
Unallocated liabilities				17,471
Total liabilities	10,886	2,086	-	30,443
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

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)

Year ended 31 March 2017	**India**	**Outside India**	**Total**
Revenue from operations			
External customers	**16,952**	**24,159**	**41,111**
Other segment information			
Segment assets	**30,029**	**4,824**	**34,853**
Capital expenditure			
Tangible fixed assets	**1,437**	**-**	**1,437**
Intangible assets	**28**	**-**	**28**

Year ended 31 March 2016	India	Outside India	Total
Revenue from operations			
External customers	12,638	23,040	35,678
Other segment information			
Segment assets	29,829	6,088	35,917
Capital expenditure			
Tangible fixed assets	579	-	579
Intangible assets	209	26	235

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 (upto November 11 2016)	
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. Vice President (Finance) & Company Secretary
	7	Mr. Jain Prakash	Sr. Vice President (Works)
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	

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*
Subsidiaries				
SD Agchem (Europe) N.V.	31 March 2017	**348**	**35**	**1,173**
	31 March 2016	859	3,042	1,267
Sintesis Quimica SAIC	31 March 2017	**-**	**162**	**-**
	31 March 2016	-	167	-

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

b. Loans given, advances made and repayment there of (Rs. in lacs)

	Year ended	Loans given/ Advances made during the year	Repayment received during the year	Amount owed by related parties#
Subsidiaries				
STS Chemicals (UK) Limited	31 March 2017	**2**	-	**33**
	31 March 2016	-	-	39
SD Agchem (Europe) N.V.	31 March 2017	**-**	-	**2,315**
	31 March 2016	-	-	2,726
Sintesis Quimica SAIC	31 March 2017	**-**	**-**	**14**
	31 March 2016	-	-	14
Joint Venture				
Stellar Marine Paints Limited	31 March 2017	**1**	-	**-**
	31 March 2016	-	-	-

#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
Other related entities					
Hem-sil Trading and Manufacturing Private Limited	31 March 2017	**100**	**171**	**41**	**314**
	31 March 2016	-	516	73	344
Key managerial personnel					
Mr. Shalil Shroff	31 March 2017	**-**	**-**	**-**	**2**
	31 March 2016	-	-	-	2
Mr. Avtar Singh	31 March 2017	**-**	-	-	**2**
	31 March 2016	-	-	-	2
Mr. Punit K Abrol	31 March 2017	**-**	-	-	**10**
	31 March 2016	-	-	-	2
Mr. Jain Prakash	31 March 2017				**11**
	31 March 2016				-

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)	Investment made during the year
Subsidiaries				
SD Agchem (Europe) N.V.	31 March 2017	-	-	**2594**
	31 March 2016	-	-	-
L & L Products Shroff Private Limited	31 March 2017	**10**	**-**	**3**
	31 March 2016	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
Subsidiaries					
SD Agchem (Europe) N.V.	31 March 2017	**-**	**1,573**	**-**	**579**
	31 March 2016	785	-	226	-
Sintesis Quimica SAIC	31 March 2017	**-**	**4**	**-**	**0.4**
	31 March 2016	8	1,077	3	309
STS Chemicals (UK) Limited	31 March 2017	**-**	**-**	**-**	**6**
	31 March 2016	-	-	1	-

Rs. in lacs

e. Remuneration and other benefits	31 March 2017	31 March 2016
Remuneration to Key Management personnel		
Mr. Shalil Shroff	**68**	62
Mr. Avtar Singh	**65**	54
Mr. S. S. Tiwari	**-**	0.41
Mr. Vipul Joshi	**54**	46
Mr. Punit K Abrol	**42**	32
Mr. Jain Prakash	**39**	-
Benefits to Relatives		
Mrs. Shaila Shroff	**5**	4
Mrs. Ravinder Kaur	**9**	8
Mr. Jaskaran Singh	**7**	4
Mrs. Bhupinder Kaur	**1**	1
Mrs. Rajni Tiwari	**-**	8
Sitting Fees		
Capt. S S Chopra (Retd.)	**1.5**	1.5

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

	31 March 2017	31 March 2016
Claims against the company not acknowledged as debts		
Excise duty matters in dispute or under appeal	**582**	589
Income Tax matters in dispute or under appeal	**814**	814
Demand raised by Sales Tax Authorities	**11**	11
Labour laws matters in dispute or under appeal	**8**	7
Demand raised by previous land owners	**759**	660
Corporate guarantee given on behalf of the subsidiary companies (revalued at closing exchange rates)	**-**	1,226

[Includes Corporate Guarantee given to State Bank of India of Rs. Nil (Previous year: Rs. 1,226 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].

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 2017 Rs. in lacs	31 March 2016 Rs. in lacs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	103	31
	103	31

36. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

		31 March 2017		31 March 2016	
	Currency	Indian rupees in lacs	Foreign currency in lacs	Indian rupees in lacs	Foreign currency in lacs
Trade receivable / advances to vendors	EUR	905	13.16	2,806	37.20
	USD	2,553	39.61	3,517	53.10
Trade payable / advances from customers	EUR	85	1.22	92	1.22
	USD	1,590	24.44	1,542	24.85
Advances to/receivable from subsidiaries	EUR	2,315	33.80	2,726	36.15
	USD	14	0.22	278	4.44
	GBP	33	0.41	39	0.41
Payable to subsidiaries	EUR	1,173	16.81	1,267	16.81
Investments (at historical cost)	EUR	5,463	102.18	3,825	66.56
	GBP	2	0.02	2	0.02

37. Details of dues to micro and small enterprises 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

	1 April 2016 to 31 March 2017 Rs. in lacs	1 April 2015 to 31 March 2016 Rs. in lacs
Raw materials	6,481	6,856
Components and spare parts	1	1
Traded goods	-	-
	6,482	6,857

39. Expenditure in foreign currency (on accrual basis)

	1 April 2016 to 31 March 2017 Rs. in lacs	1 April 2015 to 31 March 2016 Rs. in lacs
Travelling expenses	113	93
Trade commission and discount	5	3
Bank charges	10	0.48
Product registration expenses (including task force studies, testing & other expenses)	0.36	31
Others	5	14
	133	141

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

	1 April 2016 to 31 March 2017		1 April 2015 to 31 March 2016	
	Value Rs. in lacs	**% of total consumption**	Value Rs. in lacs	% of total consumption
Raw materials				
Imported	**6,186**	**26%**	6,894	35%
Indigenous	**17,651**	**74%**	13,056	65%
	23,837	**100%**	19,950	100%
Components and spare parts				
Imported	**1**	**1%**	1	0%
Indigenous	**169**	**99%**	224	100%
	170	**100%**	224	100%

41. Earnings in foreign currency (on accrual basis)

Rs. in lacs

	31 March 2017	31 March 2016
Export of Goods (FOB basis)	**23,949**	22,907
Others	**1**	2
	23,950	22,909

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 2017 Rs. in lacs	**31 March 2016** Rs. in lacs
Salaries, wages and bonus	**11**	**43**
Raw Material Consumption	**106**	**-**
Store Consumption	**209**	**85**
Power and fuel	**24**	**12**
Finance costs	**4**	**5**
Others	**12**	**-**
Total amount capitalised	**366**	**145**

43. Operating lease

The Company has entered into agreements for leasing office premises on leave and license basis. The lease have life of 5 years and no restriction places upon the Company by entering into said leases. The specified disclosue in respect of lease agreements is given below.

	31 March 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Charged to statement of profit and loss account	141	94
Future minimum rentals payable under non-cancellable operating leases are as under		
Within one year	141	141
After one year but not more than five years	329	470
More than five years	-	-

44. Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 as required with notification No G.S.R 307 (e) dated 30 March 2017 are as provided in table below.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	13,49,500	19,74,479	33,23,979
(+) Permitted receipts	-	38,49,573	38,49,573
(-) Permitted payments	-	49,22,343	49,22,343
(-) Amount deposited in Banks	13,49,500	-	13,49,500
Closing cash in hand as on 30.12.2016	-	9,01,709	9,01,709

45. Break-up of deferred tax assets and deferred tax liabilities

Rs. in lacs

		31 March 2017	31 March 2016
Deferred tax liabilities			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting		**1,202**	1,324
	(A)	**1,202**	1,324
Deferred tax assets			
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		**457**	382
Provision for Leave encashment		**213**	164
Others		**24**	25
Unabsorbed losses and depreciation*		**508**	753
	(B)	**1,202**	1,324
Net deferred tax asset/(liability)	**(A) - (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.

46. Asset held for sale

a. During the previous year, the company had 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 had recognised a loss of Rs. 67 lacs in statement if profit and loss during the previous year and asset was transferred to Other current assets- Assets held for sale. In the current year, the Company has entered into Sale agreement of the office premise for a consideration of Rs. 1,115 lacs. Accordingly, the Company has recognised addtional loss of Rs. 85 lacs in the Statement of Profit and Loss Account.

b. During the previous year the Company had carried out physical verification and technical evaluation for usability of tangible and intangible assets at Tarapur unit. On such evaluation the management had identified tangible and intangible assets aggregating to Rs. 1163 lacs of no use by the Company. Accordingly, the management had decided to discard / scrap the assets. The Company had 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. During the current year, Assets held for sale has been reduced to Rs. 28 lacs on account of assets sold worth Rs. 4 lacs.

c. During the earlier year, the company has decided to sell off of its Pune unit against which the company has received as advance of Rs. 45 lacs.

47. Sale of Joint Venture

During the year, the Company has sold its 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity on November 11 2016. Accorindinly, the company has disclosed its proportionate interest in the said entity as per note 30.

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

As per terms of One Time Settlement (OTS) with State Bank of India (SBI), the Company in the previous year had 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 of Rs. 4,577 lacs was written back in the previous year and disclosed under Note 27 -Exceptional (Expenses)/Incomes in statement of profit & loss.

b. One Time Settlement (OTS) with Central Bank of India

During the year, the Company has obtained approval of One Tine Settlement (OTS) from Central bank of India. As per the terms of OTS, the Company has to pay Rs. 1609 lacs against dues of Rs. 1978 lacs. Out of the said amount, Rs. 401 lacs has been paid by the Company before March 31, 2017. The necessary adjustment in books of account will be carried out after compliance of all conditions as specified in said OTS.

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. 4,949 lacs (Previous year: Rs. 4,823 lacs) as of March 31, 2017. The balance amount of Rs. 51 lacs represents excess interest charged by one of the member of the CDR Scheme which will be adjusted/refunded.

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

In respect of overdue export receivables from its wholly owned subsidiary i.e S D Agchem (Europe) NV, the company had received approval on March 31, 2016 from Reserve Bank of India (RBI) under Regulation 11 of Notification No. of FEMA 120/ RB -2004 towards utilisation of said overdue export receivable into further investment. During the current year, the Company has received necessary regulatory and other approvals. Accordingly, the overdue export trade receivable from S D Agchem (Europe) NV of Rs. 2,594 lacs has been converted into investment in equity share capital of the same Company. This has consequential impact on provisions for diminution in value of investments and trade receivable written back. S D Agchem (Europe) has issued new shares with par value of Euro 615 per share resulting into issue of 5,789 equity shares and capitalised its overdue Trade Receivable (Export) of Rs. 2594 lacs of S D Agchem Europe NV.

50. Write-off Investment up to 25%

Based on the Regulation 16A and 17 of Foreign Exchange Management (Transfer or Issue of any foreign securities) Regulation, 2004 and RBI/ FED/2015-16 FED Master Direction No. 15/2015-16 the Company has written off Rs. 81 lacs up to 25% of investment (net of Rs. 875 lacs write back of provision created for diminution in the value of Investment).

51. Disposal of Sintesis Quimica, S.A.I.C Argentina

The Company is negotiating with a potential buyer for divesting Sintesis Quimica S.A.I.C. (Argentina) a step down subsidiary. The Company is in the process of seeking approval of the same from the members of the Company through Postal Ballot.

52. 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 25, 2017

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 25, 2017

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 jointly controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2017, 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 of 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 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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 jointly controlled entities 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 controls, 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) & (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis of Adverse Opinion

As referred in Note 42 of the attached Consolidated Financial Statements, in case of Sintesis Quimica S.A.I.C, a subsidiary of the Holding Company not audited by us, the other auditor have issued adverse audit opinion indicating that the financial statements of the said subsidiary have been prepared on considering the fundamental assumption of going concern which doesn't hold good, and the financial statements should have been prepared at their net realisable value and which is reproduced as under:

"In our opinion, the Financial Statements referred to in paragraph 1.1 reasonably present in all material respects the information of Sintesis Quimica S.A.I.C's financial position as of March 31, 2017, in accordance with Argentine GAAP, if the Company is considered to be going concern. However there are substantial doubts about the ability of the Company to continue its operations and business viability. The Financial statements referred to in paragraph 1.1 does not include the adjustments in assets and liabilities to value them at their net realisable value, as would correspond if the Company enter in a state of compulsory liquidation."

The operations and financial affairs of Sintesis Quimica S.A.I.C are material and having a pervasive effect on the Company's consolidated financial statements as at and for the year ended March 31, 2017.

In our opinion the assets and liabilities should have been consolidated at net realisable values and accordingly assets and liabilities of Sintesis Quimica S.A.I.C are overstated at Rs. 12,160 lacs and Rs. 12,236 lacs respectively. However we are informed by the management that such final net realisable values are yet to be determined at this stage.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the consolidated financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017
(b) in the case of consolidated statement of profit and loss account, of the loss for the year ended on that date; and
(c) in the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries, and jointly controlled entity as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We / the other auditors whose reports we have relied upon have sought and except for the possible effects of the matters described in the Basis of Adverse Opinion paragraph above, 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) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of accounts 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;

   (d) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

   (e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who are appointed under Section 139 of the Act, none of the directors of the holding company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) The adverse remarks relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above;

   (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company incorporated in India, refer to our separate report in "Annexure 1" to this report;

   (i) 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements;

      ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2017.

iv. The Holding Company incorporated in India, have provided requisite disclosures in Note 40 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the holding company and as produced to us by the Management of the Holding Company.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of Rs 12,348 lacs and net assets of Rs (1,869) lacs as at March 31, 2017, and total revenues of Rs 11,727 lacs and net cash inflows of Rs 62 lacs for the year ended on that date. These financial statement of subsidiaries and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors of subsidiaries and the management signed accounts of jointly controlled entity.

All of these 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 under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of jointly controlled entity, whose financial statements and other financial information reflect total assets of Rs 0.05 lacs and net assets of Rs (24) lacs as at November 11, 2016 (date of disposal), and total revenues of Rs NIL upto date of disposal. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our above opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information.

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 25, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PUNJAB CHEMICALS AND 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")

In conjunction with our audit of the consolidated financial statements of Punjab Chemicals & Crop Protection Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as the "Holding Company"), 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, which is a Company incorporated in India, is 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, which is a company 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, 2017, 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.

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 25, 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

Rs. In lacs

	Notes	31 March 2017	31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	**1,226**	1,226
Reserves and surplus	4	**2,952**	4,898
		4,178	6,124
Non-current liabilities			
Long-term borrowings	5	**6,871**	10,633
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	8a	**1,955**	2,709
Other long term liabilities	8b	**1,787**	2,147
Long-term provisions	6	**1,108**	1,056
		11,721	16,545
Current liabilities			
Short-term borrowings	7	**5,018**	4,998
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	8a	**9,044**	5,590
Other current liabilities	8b	**11,017**	10,833
Short-term provisions	6	**1,876**	1,654
		26,955	23,075
Total		**42,854**	45,744
Assets			
Non-current assets			
Fixed assets			
Property, Plant & Equipment	9	**21,713**	22,330
Intangible assets	10	**709**	1,139
Capital work-in-progress		**498**	232
Intangible assets under development		**126**	146
Non-current investments	11	**20**	20
Loans and advances	12	**2,800**	3,426
Other non-current assets	17	**176**	176
		26,042	27,469
Current assets			
Current investments	13	**3**	3
Inventories	14	**6,426**	5,743
Trade receivables	15	**6,343**	7,609
Cash and bank balances	16	**290**	608
Loans and advances	12	**2,723**	2,087
Other current assets	17	**1,027**	2,225
		16,812	18,275
Total		**42,854**	45,744
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 **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 25, 2017

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 25, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

Rs. In lacs

	Notes	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Income			
Revenue from operations (gross)	18	**53,615**	55,111
Less: Excise duty		**1,124**	1,309
Revenue from operations (net)		**52,491**	53,802
Other income	19	**736**	1,602
Total revenue		**53,227**	55,404
Expenses			
Cost of raw materials consumed	20	**26,738**	26,853
Purchases of traded goods	21	**578**	61
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	**(204)**	(127)
Employee benefits expenses	23	**11,460**	11,955
Other expenses	24	**11,964**	10,991
Total expenses		**50,536**	49,733
Earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA)		**2,691**	5,671
Depreciation and amortization expenses	25	**1,606**	1,675
Finance costs	26	**2,701**	4,966
Profit /(Loss) before tax and exceptional items		**(1,616)**	(970)
Exceptional (Expenses) / Incomes	27	**-**	2,352
Profit/(Loss) before tax		**(1,616)**	1,382
Tax expenses			
Pertaining to profit for the current year		**-**	167
MAT credit entitlement		**-**	(113)
Excess / short provision for earlier years		**(46)**	-
Total tax expenses		**(46)**	54
Profit / (Loss) for the year		**(1,570)**	1,328
Earnings per equity share [nominal value of share Rs. 10 each (31 March 2016: Rs. 10 each)]			
Basic and diluted (in Rs.)	28	**(12.80)**	10.83
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 **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 25, 2017

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 25, 2017

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

Rs. In lacs

		1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Cash flow from operating activities			
Profit / (Loss) before tax		**(1,616)**	1,382
Adjustments for :			
Liabilities written back on one time settlement of borrowings		**-**	(5,076)
Depreciation and Amortisation		**1,606**	1,675
Interest income		**(167)**	(210)
Income in respect of government grants		**(22)**	(5)
Finance costs		**2,701**	4,966
Profit on sale of fixed assets (net)		**-**	(124)
Bad debt and advances written off		**54**	-
Property, plant & equipment discarded /scrapped		**-**	1,131
Equipment written off		**409**	-
Exchange rate difference of re-organisation proceedings		**-**	1,593
Provision for doubtful recovery of VAT		**186**	-
Provision for slow/non-moving inventories		**164**	-
Advances written off		**-**	39
Provision for doubtful advances (net)		**-**	1
Provision for doubtful debts (net)		**137**	112
Operating Profit before working capital changes		**3,452**	5,484
Movement in Working Capital			
Decrease/(Increase) in trade receivables		**1,266**	(349)
Decrease/(Increase) in inventories		**(683)**	1,781
Decrease/(Increase) in other current assets and non-current assets		**7**	(2)
Decrease/(Increase) in long-term and short-term loans and advances		**127**	1,455
Increase/(Decrease) in trade payables and other current liabilities		**4,245**	1,539
Increase/(Decrease) in long-term and short-term provisions		**173**	670
Cash generated from operations		**8,587**	10,578
Direct taxes paid		**(48)**	(113)
Net cash generated from operating activities	**(A)**	**8,539**	10,465
Cash Flow from investing activities			
Purchase of fixed assets, including CWIP and capital advances		**(1,522)**	(893)
Proceeds from sale of fixed assets		**(51)**	1,786
Investment in Fixed deposits (with maturity more than three months)		**10**	(53)
Interest received		**154**	224
Net cash generated/(used) from/in investing activities	**(B)**	**(1,409)**	1,064
Cash flow from financing activities			
Repayments of borrowings		**(3,443)**	(8,527)
Interest Paid		**(2,631)**	(5,605)

		1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Net cash generated/(used) from/in financing activities	**(C)**	**(6,075)**	(14,132)
Effect of exchange gain/(loss) on cash and cash equivalents	**(D)**	**(1,362)**	1,773
Net increase/(decrease) in cash and cash equivalents	**(A+B+C+D)**	**(307)**	(830)
Cash and cash equivalents at the beginning of the year		**536**	1,366
Cash and cash equivalents at the end of the year		**229**	536
Components of cash & cash equivalents			
Cash on hand		**8**	8
Cheques on hand		**-**	-
With banks			
a) on current account		**207**	526
b) on deposit account with original maturity of less than three months		**14**	-
c) on unpaid dividend account*		**-**	2
Total cash & cash equivalents (note 16)		**229**	536

*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:

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 and Companies (Accounting Standards) Amendment Rules 2016.

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 25, 2017

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 25, 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. **Corporate Information**

Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Company") is a Public Limited Company incorporated in India. 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) 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 2016, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules 2016. 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.

(b) As at March 31, 2017 the current liabilities have exceeded current assets by Rs. 10,142 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 group 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 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 and Companies (Accounting Standard) Amendment Rules 2016.

(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	Relation-ship	Country of Incorpora-tion	% of Group Holding as at 31 March 2017	% of Group Holding as at 31 March 2016
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	0%	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, 2017.

(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, 2017.

(d) The Group had 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. During the year on November 11, 2016, the Company has sold its ownership interest. Accordingly, the Company has disclosed its proportionate interest as required by Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures" in the said entity as per the management Balance Sheet as at November 11, 2016 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, 2017; 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 are drawn upto same reporting date i.e year ended March 31, 2017 and have been used for the purpose of consolidation. In the case of Joint venture, it is considered upto the date of sale i.e. Novemebr 11, 2016.

2.1.2 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 revenues, 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.

2.1.3 Property, Plant and Equipment

Property, plant 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 property, plant 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 property, plant and equipment 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.

Gains or loses arising from derecognition of property, plant and equipment are measured as difference between net disposal proceeds and carrying amount of the asset and are recognised in statement of profit and loss when the asset is derecognised.

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 internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit & loss in the year is 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 (in years)
Computer Software / Licence	3
Product Registration (including task charges, task force studies and other related expenses)	10
Technical Know How	5

2.1.4 Depreciation and amortisation

Lease hold land is amortized on a straight line basis over the period of lease i.e. 99 years.

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	5-28
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.

Sintesis Quimica S.A.I.C.	Method	Depreciation rates
Buildings	S.L.M.	2%
Furniture & Fixtures	S.L.M.	10% - 33%
Plant & Equipments	S.L.M.	10%
Vehicles	S.L.M.	20%
STS Chemicals (UK) Limited		
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.

2.1.5 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.

2.1.6 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.

2.1.7 Leases

Company is Lessee

<u>Finance Lease</u>

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.

<u>Operating Lease</u>

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

<u>Operating Lease</u>

Assets subject to operating leases are included in property, plant & equipment. 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.

2.1.8 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.

2.1.9 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 which is either cost or net realisable 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.

2.1.10 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 the following specific recognition criteria must also be met before revenue is recognised..

(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). 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.

(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, Merchandise Export from India Scheme (MEIS) and Duty draw back scheme on sale of export made during the year has been classified under the head "Export Benefits" in "Other operating revenue".

2.1.11 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

2.1.12 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.

2.1.13 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.

2.1.14 Retirement and Other Employee Benefits:

(a) Punjab Chemicals and Crop Protection Limited

i) Long Term Employee Benefits

<u>Defined Contribution Plans</u>

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.

2.1.15 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.

2.1.16 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.

2.1.17 Income Taxes

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.

2.1.18 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.

2.1.19 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.

2.1.20 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.

2.1.21 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 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Authorized shares		
19,800,000 (31 March 2016: 19,800,000) equity shares of Rs. 10/- each	**1,980**	1,980
20,000 (31 March 2016: 20,000) 9.8% redeemable cumulative preference shares of Rs. 100/- each	**20**	20
	2,000	2,000
Issued shares		
12,277,218 (31 March 2016: 12,277,218) equity shares of Rs. 10/- each	**1,228**	1,228
Subscribed and fully paid-up shares		
12,262,185 (31 March 2016: 12,262,185) equity shares of Rs. 10/- each	**1,226**	1,226
Total	**1,226**	1,226

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

Equity shares	**31 March 2017**		31 March 2016	
	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 2017 In numbers	31 March 2016 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
	69,293	69,293

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

	31 March 2017		31 March 2016	
Name of the shareholders	**Numbers**	**% holding**	Numbers	% holding
Equity shares of Rs. 10 each fully paid-up				
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 2017	31 March 2016
Capital reserve	**563**	745
Capital redemption reserve	**28**	28
Capital reduction reserve	**21**	21
Securities premium reserve	**5,707**	5,707
Revaluation reserve	**3,362**	5,358
Capital subsidy from state government	**35**	35
Amalgamation reserve	**19**	19
Government grant		
Balance as per last financial statements	**15**	18
Less: Grant recognized in the statement of profit and loss	**15**	3
	-	15
Development aid grant UNIDO		
Balance as per last financial statements	**20**	22
Less: Grant recognized in the statement of profit and loss	**7**	2
	13	20
Foreign currency translation reserve		
Balance as per last financial statements	**1,165**	(2,176)
Add/(Less): Exchange difference in respect of non-integral foreign operations	**1,824**	3,341
	2,989	1,165
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	**(8,215)**	(9,495)
Add: Opening Reserve of STS Chemicals consolidated from current year onwards	**-**	(48)
Add: Profit / (Loss) for the year	**(1,570)**	1,328
Net deficit in the statement of profit and loss	**(9,785)**	(8,215)
Total	**2,952**	4,898

5. Long-term borrowings

Rs. in lacs

	Non current		Current maturities	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Term loans				
From banks				
Term loan (secured) (refer note a to e below and note 43c)	**6,842**	10,621	**3,742**	3,329
Vehicle finance scheme (secured) (refer note h below)	**10**	-	**6**	-
From others				
Housing finance scheme (secured) (refer note g below)	**9**	12	**2**	2
Vehicle finance scheme (secured) (refer note i & j below)	**10**	-	**5**	-

	Non current		Current maturities	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Other loans and advances				
Working Capital Demand Loans from Banks (secured) (refer note a and f below and note 43d)	**-**	-	**51**	177
Total	**6,871**	10,633	**3,806**	3,508
The above amount includes				
Secured borrowings	**6,851**	10,633	**3,806**	3,508
Unsecured borrowings	**20**	-	**-**	**-**
Amount disclosed under the head "Other current liabilities" (note 8b)			**(3,806)**	(3,508)
	6,871	10,633	**-**	-

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. 9,713 lacs (Previous year Rs. 11,814 lacs) and working capital demand loan amounting to Rs. 51 lacs (Previous year Rs. 177 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. 5,258 lacs (Previous year: Rs. 6,516 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount of Rs. 347 lacs (Previous year: Rs. 269 lacs) is overdue for a period of 1-91 days (Previous year 1 day) as on the reporting date.

c. Working Capital Term Loans amounting to Rs. 2,121 lacs (Previous year: Rs. 2,546 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 38 lacs (Previous year: Rs. 14 lacs) is overdue for a period of 1 day (Previous year 1 day) as on the reporting date.

d. Funded Interest Term Loan amounting to Rs. 2,334 lacs (Previous year: Rs. 2,752 lacs) is carrying interest rate of 8% p.a. (Previous year 8% p.a.). Principal amount of Rs. 87 lacs (Previous year: 54 lacs) is overdue for a period of 1 day (Previous year 1 day) as on the reporting date.

e. Term Loan taken from Banco Nacion de la Argentina (Argentina National Bank) amounting to Rs. 871 lacs (Previous year: Rs. 910 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 27% per annum and repayable in 40 installments.

f. Working Capital Demand Loans amounting to Rs. 51 lacs (Previous year: Rs. 177 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.). Principal amount Rs. 51 lacs (Previous year: Rs. 177 lacs) is overdue for 1644 days (Previous year 1279 days) as on the reporting date. (Refer note 40d for further details)

g. Loan from Housing Development Finance Corporation Limited for Rs. 11 lacs (Previous year: Rs. 14 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 36 EMIs.

h. Loan from Axis Bank Limited under Vehicle Finance Scheme amounting to Rs. 16 lacs (Previous year: Nil) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 9.41% and is repayable in 32 EMIs.

i. Loan from Kotak Mahindra Prime Limited under Vehicle Finance Scheme amounting to Rs. 7 lacs (Previous year: Nil) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 9.4% and is repayable in 32 EMIs.

j. Loan from Mahindra & Mahindra FInance Services Limited under Vehicle Finance Scheme amounting to Rs. 8 lacs (Previous year: Nil) is secured by exclusive charge by way of hypothecation of vehicles purchased under said Scheme and carrying interest rate of 9.4% and is repayable in 36 EMIs.

6. Provisions

Rs. in lacs

	Long-term		Short-term	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
	Rs. in lacs	Rs. in lacs	**Rs. in lacs**	
Provision for employee benefits				
Provision for gratuity (refer note 29)	**1,108**	1,056	**212**	120
Provision for leave encashment	**-**	-	**688**	660
(A)	**1,108**	1,056	**900**	780
Other provisions				
Provision for taxation (net)	**-**	-	**976**	874
(B)	**-**	-	**976**	874
(A+B)	**1,108**	1,056	**1,876**	1,654

7. Short-term borrowings

Rs. In lacs

	31 March 2017	31 March 2016
Cash credit from banks (secured) (refer note a and b below)	**4,669**	4,619
Inter-corporate deposits repayable on demand (unsecured) (refer note c)	**314**	344
Other loans (unsecured) (refer note d)	**35**	35
	5,018	4,998
The above amount includes		
Secured borrowings	**4,669**	4,619
Unsecured borrowings	**349**	379
	5,018	4,998

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. 4,669 lacs (Previous year: Rs. 4,619 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. 4,669 lacs (Previous year: Rs. 4,619 lacs) is carrying interest rate of 10.75% p.a. (Previous year 10.75% p.a.).

c. Inter-corporate deposits amounting to Rs. 314 lacs (Previous year: Rs. 344 lacs) is carrying interest rate of 12.75% p.a (Previous year 12.75% p.a).

d. 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. 35 lacs)

8. Trade payables and other liabilities

Rs. In lacs

	Non current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
8a. Trade payables (refer note 42)				
Total outstanding dues of micro-enterprises and small enterprises (Refer Note 36 for details of due to micro and small enterprises).	**-**	-	**-**	-
Total outstanding dues of creditors, other than micro enterprises and small enterprises.	**1,955**	2,709	**9,044**	5,590
	1,955	2,709	**9,044**	5,590

	Non current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
8b. Other liabilities				
Current maturities of long term borrowings (refer note 5)	-	-	**3,806**	3,508
Payables for fixed assets	-	-	**254**	210
Interest accrued but not due on borrowings	-	-	**-**	10
Interest accrued and due on borrowings	-	-	**218**	138
Book overdraft			**3**	-
Employee related liabilities	**1,787**	2,147	**1,156**	760
Interest bearing security deposits from customers	-	-	**58**	62
Security deposit from others	-	-	**239**	226
Advance for sale of fixed assets (Refer Note 45)	-	-	**45**	1,025
Advance from customers	-	-	**1,058**	1,845
Investor education and protection fund will be credited by the following amounts (as and when due) (Refer note below)				
Unclaimed dividend	**-**	-	**-**	2
Other liabilities	**-**	-	**4,180**	3,047
	1,787	**2,147**	**11,017**	10,833
	3,742	**4,856**	**20,061**	16,423

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 (a) and (b))	Buildings (Refer note (a) and (c))	Plant and equipments (Refer note (c) and (d))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
Cost or valuation							
As at 1 April 2015	**6,371**	**9,556**	**19,533**	**500**	**1,839**	**700**	**38,499**
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 45)	-	1,548	80	-	-	-	1,628
Foreign exchange adjustment	(42)	(586)	(413)	-	(492)	(19)	(1,553)
As at 31 March 2016	**7,269**	**9,870**	**18,304**	**404**	**1,229**	**681**	**37,757**
Additions	-	5	695	7	24	460	1,191
Revaluation	431	-	-	-	-	-	431
Disposals	-	101	426	-	0	149	676
Reclassification							
Assets held for sale (Refer note 45)	-	-	-	-	-	-	-
Foreign exchange adjustment	(125)	(582)	(60)	-	(79)	(3)	(849)
As at 31 March 2017	**7,575**	**9,192**	**18,513**	**411**	**1,174**	**989**	**37,854**

	Land (Refer note (a) and (b))	Buildings (Refer note (a) and (c))	Plant and equipments (Refer note (c) and (d))	Electrical installations	Furniture, fixture and equipments	Vehicles	Total
Depreciation							
As at 1 April 2015	**69**	**3,171**	**11,137**	**354**	**1,427**	**479**	**16,637**
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 45)	-	281	48	-	-	-	329
Foreign exchange adjustment	-	(391)	(282)	-	(358)	(19)	(1,050)
As at 31 March 2016	**62**	**2,514**	**11,129**	**302**	**931**	**489**	**15,427**
Charge for the year	9	298	879	19.00	53	59	1,317
Disposals	-	26	274	-	0	141	441
Assets held for sale (Refer note 45)	-	-	-	-	-	-	-
Foreign exchange adjustment	-	(58)	(45)	-	(56)	(3)	(162)
As at 31 March 2017	**71**	**2,728**	**11,689**	**321.00**	**928**	**404**	**16,141**
Net Block							
As at 31 March 2016	7,207	7,356	7,175	102	298	192	22,330
As at 31 March 2017	**7,504**	**6,464**	**6,824**	**90**	**246**	**585**	**21,713**

(a) Revaluations

In 2010-11, the company had 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.

(b) Land includes land held on leasehold basis:

	31 March 2017 Rs. In Lacs	31 March 2016 Rs. In Lacs
Gross block	**587**	587
Depreciation charge for the year	**9**	10
Accumulated depreciation	**71**	62
Net book value	**516**	525

(c) Buildings and plant & equipments includes assets given on operating lease.

	31 March 2017 Rs. In Lacs	31 March 2016 Rs. In Lacs
Gross block	**4,089**	4,546
Depreciation charge for the year	**231**	311
Accumulated depreciation	**1,504**	1,524
Net book value	**2,585**	3,022

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.

(d) Plant and equipments includes Rs. 44 lacs (Previous year: Rs. 44 lacs) worth of equipments acquired under UNIDO grant scheme.

10. Intangible assets

Rs. In Lacs

	Goodwill	Formation Expenses	Computer license/ Computer Software	Product registration (Refer Note (a) & (b))	Technical Knowhow Fees (Refer Note (c))	Total
Gross Block						
As at 1 April 2015	**1,904**	**9**	**227**	**2,286**	**263**	**4,689**
Additions	-	-	1	26	177	204
Disposals	-	-	-	-	98	98
Foreign exchange adjustment	-	-	(43)	-	-	(43)
As at 31 March 2016	**1,904**	**9**	**185**	**2,312**	**342**	**4,751**
Additions	-	-	-	-	42	42
Disposals	-	-	-	621	-	621
Foreign exchange adjustment	-	-	(6)	-	-	(6)
As at 31 March 2017	**1,904**	**9**	**179**	**1,691**	**384**	**4,166**
Amortization						
As at 1 April 2015	**1,904**	**9**	**210**	**1,186**	**57**	**3,366**
Charge for the year	-	-	17	229	40	286
Disposals	-	-	-	-	-	-
Foreign exchange adjustment	-	-	(42)	-	-	(42)
As at 31 March 2016	**1,904**	**9**	**185**	**1,415**	**97**	**3,612**
Charge for the year	-	-	0	215	59	274
Disposals	-	-	-	421	-	421
Foreign exchange adjustment	-	-	(8)	-	-	(8)
As at 31 March 2017	**1,904**	**9**	**177**	**1,209**	**156**	**3,457**
Net Block						
As at 31 March 2016	-	-	-	897	245	1,139
As at 31 March 2017	**-**	**-**	**2**	**482**	**228**	**709**

a. Product registration includes testing, data access and other product registration related expenses.

b. Remaining period of amortization of product registration expenses ranges from 13 to 79 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 17 to 49 months.

11. Non-current investments

Rs. In lacs

	31 March 2017	31 March 2016
Trade investments (valued at cost unless otherwise stated)		
Unquoted equity instruments		
Investment in Subsidiary Company	**-**	-
Investment in others		
84,375 (Previous year: 84,375) equity shares of Rs. 10/- each fully paid-up in Nimbua Green Field (Punjab) Limited	**8**	8

	31 March 2017	31 March 2016
1,00,000 (Previous year: 1,00,000) equity shares of Rs. 10/- each fully paid-up in Mohali Green Field Limited	**10**	10
	18	18
Non trade investments (valued at cost unless otherwise stated)		
Quoted equity instruments		
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
	1	1
Unquoted equity instruments		
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)
	-	-
Unquoted other non-current investments		
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	20
Aggregate amount of quoted investments (Market value Rs. 0.94 lacs (Previous year: Rs. 0.74 lacs))	**1**	1
Aggregate amount of unquoted investments	**19**	19
Aggregate provision for diminution in value of Investments	**4**	4

12. Loans and advances

Rs. in lacs

		Non-Current		Current	
		31 March 2017 Rs. in lacs	31 March 2016 Rs. in lacs	**31 March 2017 Rs. in lacs**	31 March 2016
Capital advances (unsecured, considered good)		**96**	9	**-**	-
Security deposit (unsecured, considered good)		**198**	206	**39**	38
	(A)	**294**	215	**39**	38
Loans and advances to related parties					
Unsecured considered good		**-**	-	**-**	-
Unsecured considered doubtful		**-**	-	**-**	-
		-	-	**-**	-
Provision for doubtful advances		**-**	-	**-**	-
	(B)	**-**	-	**-**	-
Advances recoverable in cash or kind					
Unsecured considered good		**1,220**	2,030	**1,895**	1,211
Unsecured considered doubtful		**-**	-	**24**	24
		1,220	2,030	**1,919**	1,235
Provision for doubtful advances		**-**	-	**24**	24
	(C)	**1,220**	2,030	**1,895**	1,211
Other loans and advances (unsecured, considered good unless otherwise stated)					
Advance tax (net)		**1,173**	1,068	**-**	-
MATcredit entitlement		**113**	113	**-**	-
Prepaid expense				**89**	50
Balance with excise and customs		**-**	-	**201**	259
VAT recoverable					
Unsecured Considered good		**-**	-	**498**	528
Unsecured Considered doubtful		**-**	-	**186**	
		-	-	**684**	528
Less : Provision for Doubtful recoverable		**-**	-	**186**	-
	(D)	**1,286**	1,181	**788**	837
	(A+B+C+D)	**2,800**	3,426	**2,722**	2,087

Movement in provision for doubtful advances/deposits		
At the beginning of the year	**24**	62
Add: Provision made during the year	**186**	1
	210	63
Less: Advances written off against which provision was made/Reversal of provision	**-**	39
At the end of the year	**210**	24

13. Current Investments

Rs. in lacs

	31 March 2017	31 March 2016
Unquoted current investments		
30,000 (Previous year: 30000) units of Rs. 10/- each in Baroda Pioneer Hybrid Fund Series 1-Plan A Growth	**3**	3
	3	3

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

Rs. In lacs

	31 March 2017	31 March 2016
Raw materials (includes in transit Rs. 1 lac (Previous year: Rs. 3 lacs))	**2,084**	1,379
Work-in-progress	**977**	710
Finished goods	**3,046**	3,191
Packing materials	**175**	197
Stores and spares (including fuel)	**144**	266
	6,426	5,743

15. Trade receivables

Rs. in lacs

	Current	
	31 March 2017	31 March 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	**-**	-
Unsecured, considered good	**1,655**	228
Doubtful	**1,165**	1,210
	2,820	1,438
Other receivables		
Secured, considered good	**-**	-
Unsecured, considered good	**4,688**	7,381
Doubtful	**-**	-
	4,688	7,381
Less: Provision for doubtful trade receivables	**1,165**	1,210
	6,343	7,609
Movement in provision for doubtful debts		
At the beginning of the year	**1,210**	2,171
Add: Provision made during the year (Refer Note 24)	**137**	112
	1,347	2,283
Less: Bad debts written off against which provision was made/Reversal of provision	**182**	1,073
At the end of the year	**1,165**	1,210

16. Cash and bank balances

Rs. in lacs

	Non-current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Cash and cash equivalents				
Balance with banks				
on current accounts - in local currency	**-**	-	**146**	286
on current accounts - in foreign currency	**-**	-	**61**	240
on fixed deposits with original maturity of less than three months	**-**	-	**14**	-
on unpaid dividend account	**-**	-	**-**	2
Cheques on hand	**-**	-	**-**	-
Cash on hand	**-**	-	**8**	8
	-	-	**229**	536
Other bank balances				
Deposits with original maturity for more than 12 months	**4**	1	**-**	2
Deposits with original maturity for more than 3 months but less than 12 months	**-**		**53**	53
Margin money deposit*	**172**	175	**9**	17
	176	176	**62**	72
Amount disclosed under non-current assets (note 17)	**(176)**	(176)	**-**	-
	-	**-**	**290**	608

*Includes Rs. 172 lacs (Previous year: Rs.175 lacs) as margin for bank guarantees.

17. Other assets

Rs. in lacs

	Non-current		Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Non-current bank balances (refer note 16)	**176**	176	**-**	-
Interest receivable	**-**	-	**49**	36
Export benefit receivable	**-**	-	**861**	890
Insurance claim receivable	**-**	-	**3**	1
Job work charges receivable	**-**	-	**86**	60
Assets held for sale (refer note 45b)	**-**	-	**28**	1,232
Other receivable	**-**	-	**-**	6
	176	176	**1,027**	2,225

18. Revenue from Operations

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Sale of products		
Finished goods	**48,697**	50,534
Traded goods	**783**	2,010
Sale of services	**2,408**	1,270
Other operating revenue		
Scrap sales	**85**	115

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Export benefit	**1,186**	726
Lease Rentals	**456**	456
Revenue from operations (gross)	**53,615**	55,111
Less: Excise duty#	**1,124**	1,309
Revenue from operations (net)	**52,491**	53,802

Excise duty on sales amounting to Rs. 1,124 lacs (Previous year: Rs. 1,309 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. 11 lacs (Previous year: Rs. -44 lacs) has been considered (income) / expenses in note 22 of financial statements.

Details of products sold		
Finished goods sold		
Agro chemicals and intermediates	**34,385**	37,018
Bulk drugs and intermediates	**6,837**	5,390
Phosphorous and its compounds	**2,878**	2,854
Other chemicals	**4,597**	5,272
	48,697	50,534
Traded goods sold		
Agro chemicals and intermediates	**530**	1,965
Other chemicals	**253**	45
	783	2,010
Details of services rendered		
Job work income	**2,407**	1,132
Micronisation and handling charges	**1**	138
	2,408	1,270

19. Other income

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Interest income on		
Bank deposits	**20**	34
Others	**147**	176
Government grants	**22**	5
Exchange difference (net)	**287**	1,111
Profit on sale of fixed assets (net)	**-**	124
Service charges	**10**	13
Provision for Doubtful Debt & Advance written back	**182**	-
Sundry credit balances written back (net)	**39**	67
Rent income	**26**	70
Miscellaneous Income	**2**	2
	736	1,602

20. Cost of raw materials consumed

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Stock of raw material at the beginning of the year	**1,379**	2,515
Add: Purchases	**27,958**	26,170
	29,336	28,685
Less: Sale of raw materials	**484**	192
Less: Stock of raw material at end of the year	**2,084**	1,379
	2,568	1,571
Foreign Exchange Movement	**(30)**	(261)
Cost of raw material consumed	**26,738**	26,853
Details of raw material consumed		
Agro chemicals and its intermediates	**17,642**	19,222
Bulk drugs and intermediates	**3,623**	2,771
Oxalic acid and oxalates	**3,287**	2,721
Other chemicals	**2,186**	2,139
	26,738	26,853

21. Purchase of traded goods

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Agro chemicals and its intermediates	**336**	12
Other chemicals	**242**	49
	578	61

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

Rs. in lacs

	31 March 2017	31 March 2016	(Increase)/ decrease
			31 March 2017
Inventories at the end of the year			
Work-in-progress	**977**	710	**(267)**
Finished goods	**3,046**	3,191	**145**
	4,023	3,901	**(122)**
Inventories at the beginning of the year			31 March 2016
Traded goods	**-**	177	(177)

	31 March 2017	31 March 2016	(Increase)/ decrease
Work-in-progress	**710**	564	146
Finished goods*	**3,191**	3,632	(441)
	3,901	4,373	(472)
Foreign Exchange Movement	**(93)**	(555)	
(Increase)/Decrease in excise duty on closing stock of finished goods	**11**	(44)	
	(204)	(127)	

Details of inventories	31 March 2017 Rs. in lacs	31 March 2016 Rs. in lacs
Work-in-progress		
Agro chemicals and intermediates	**453**	220
Bulk drugs and intermediates	**479**	425
Sulphur based compounds	**19**	33
Other chemicals	**26**	32
	977	710
Finished goods		
Bulk drugs and intermediates	**935**	833
Agro chemicals and intermediates	**1,875**	2,053
Other chemicals	**236**	305
	3,046	3,191

23. Employee benefits expenses

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Salaries, wages and bonus	**10,057**	10,511
Contribution to provident and other funds	**417**	430
Gratuity and leave encashment expense (refer note 29)	**260**	185
Staff welfare expenses	**726**	829
	11,460	11,955

24. Other expenses

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Consumption of stores and spares	**334**	224
Power and fuel	**3,714**	3,494
Repairs and maintenance - plant and machinery	**752**	520
Repairs and maintenance - buildings	**103**	55
Repairs and maintenance - others	**202**	304
Sub-contracting charges	**366**	274
Rent	**237**	202
Rates and taxes	**630**	993
Insurance charges	**118**	121

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Bad debts / advances written off	**54**	39
Postage, telegrams and telephones	**53**	72
Traveling and conveyance	**626**	617
Commission on sales (other than sole selling agents)	**263**	322
Discount on sales	**48**	59
Provision for doubtful advances (net) (refer note 12)	**-**	1
Packing expenses	**536**	439
Freight and handling expenses	**746**	696
Job work expenses	**37**	20
Director's sitting fees	**14**	11
Charity and donations (other than political parties)	**3**	2
CSR Expenditure (refer note B below)	**42**	13
Payment to auditors (refer note A below)	**32**	31
Sundry balances written off	**6**	
Fixed assets written off	**409**	10
Loss on sale of Plant, Property and equipment (net)	**77**	
Provision for doubtful debts (net) (refer note 15)	**137**	112
Loss on sale of investments	**2**	-
Investments written off	**1**	-
Research and development expenses	**97**	61
Marketing and promotional expenses	**46**	80
Exchange Variation	**36**	-
Other expenses	**2,243**	2,221
	11,964	10,991
A) Payment to auditor		
As auditor:		
Audit fee	**23**	20
Limited review	**9**	9
Out of pocket expenses	-	2
	32	31

B) Details of CSR expenditure

a) Gross amount required to be spent by the Company 42

b) Amount spent during the year ended on 31 March 2017	In cash	Yet to be paid in cash	Total
i) Construction / acquisiton of any assets	42	-	42
ii) On purpose other than (i) above	-	-	-
	42	**-**	**42**

a) Gross amount required to be spent by the Company **13**

b) Amount spent during the year ending on 31 March 2016	In cash	Yet to be paid in cash	Total
i) Construction / acquisiton of any assets	7	2	9
ii) On purpose other than (i) above	1	3	4
	8	5	13

25. Depreciation and amortization expenses

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Depreciation on tangible assets	1,328	1,387
Amortization of intangible assets	278	288
	1,606	1,675

26. Finance costs

Rs. In lacs

	1 April 2015 to 31 March 2016	1 April 2015 to 31 March 2016
Interest on loans and deposits	1,154	1,671
Interest on cash credit accounts	440	519
Interest on others	1,100	2,774
Bank charges	7	2
	2,701	4,966

27. Exceptional (Expenses) / Incomes

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Write back of borrowings along with accrued interest on One Time Settlement (refer note 43a & b)	-	5,076
Property, plant and equipment discarded / scrapped (refer note 45b)	-	(1,131)
Exchange rate difference of re-organisation proceedings (refer note 42)	-	(1,593)
	-	2,352

28. Earnings per share

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

Rs. In lacs

	31 March 2017	31 March 2016
Profit / (Loss) after tax for calculation of basic and diluted EPS	(1,570)	1,328
Weighted average number of equity shares in calculating basic and diluted EPS (in numbers)	1,22,62,185	1,22,62,185
Earnings per share (basic and diluted) (in Rs.)	(12.80)	10.83

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.

Rs. In lacs

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
Contribution to provident fund	**265**	245
Contribution to superannuation fund	**137**	174
	402	419

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

Rs. In lacs

	31 March 2017	31 March 2016
Current service cost	**71**	63
Interest cost on benefit obligation	**106**	100
Expected return on plan assets	**(13)**	(14)
Net actuarial (gain)/loss recognized in the year	**(8)**	(31)
Net benefit expenses	**156**	118
Actual return on plan assets	**(9)**	(11)

Balance sheet

Benefit asset/liability

	31 March 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Present value of defined benefit obligation	**(1,464)**	(1,327)
Fair value of plan assets	**144**	151
Plan asset/(liability)	**(1,320)**	(1,176)

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

	31 March 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Opening defined benefit obligation	**1,327**	1,247
Current service cost	**71**	63
Interest cost	**106**	100
Benefits paid	**(32)**	(52)
Actuarial (gains)/losses on obligation	**(8)**	(31)
Closing defined benefit obligation	**1,464**	1,327

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

	31 March 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Opening fair value of plan assets	**151**	159
Expected return	**13**	14
Contributions by employer	**10**	60
Benefits paid	**(29)**	(82)
Actuarial (gains)/losses	**(0.45)**	0.14
Closing fair value of plan assets	**145**	151
Contribution for the next year	**146**	139

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

	31 March 2017	31 March 2016
Investments with insurer	**100%**	100%
	100%	100%

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

	31 March 2017	31 March 2016
Discount rate	**7.50%**	8.00%
Expected return on plan assets	**8.25%**	8.35%
Employee turnover	**2.00%**	2.00%
Expected rate of salary increase -Agro Chemical unit	**5.00%**	5.00%
Expected rate of salary increase -Other units	**5.00%**	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 year and previous four periods/years are as follows:

Rs. In lacs

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	**(1,464)**	(1,327)	1,247	1,229	1,091
Plan assets	**144**	151	159	296	346
Surplus/(deficit)	**(1,320)**	(1,176)	(1,088)	(933)	(745)
Experience adjustment on plan liabilities	**25**	28	(96)	(168)	(11)
Experience adjustment on plan assets	**(0.47)**	(0.49)	(2)	21	(17)

30. Interest in joint venture

The Company has 45% ownership interest in Stellar Marine Paints Limited, a jointly controlled entity incorporated in India. During the year the Company has sold its interest on November 11 2016. Accordingly, the proportionate interest of the Company in the said entity as per the certified management accounts as at 11 November 2016 is as under:

	11 November 2016 Rs. in lacs	31 March 2016 Rs. in lacs
Current assets	**0.05**	1
Current liabilities	**54**	54
Equity	**54**	53
	1 April 2016 to 11 November 2016 Rs. in lacs	1 April 2016 to 31 March 2016 Rs. in lacs
Revenue	-	-
Operating and other expenses	0.48	1
Profits before tax	**(0.48)**	(1)
Income tax expenses	-	-
Loss after tax	**(0.48)**	(1)

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.

Year ended 31 March 2017 (Rs. In lacs)

	Chemicals	**Bulk drugs and intermediates**	**Eliminations**	**Total**
Revenue from operations				
External	**45,923**	**6,568**	-	**52,491**
Inter-segment	-	-	-	-
Total revenue from operations (net)	**45,923**	**6,568**	-	**52,491**
Results				
Segment results	**1,428**	**(241)**	-	**1,187**
Unallocated expenses net of (unallocable income)				**102**
Operating profit				**1,085**
Finance costs				**2,701**
Exceptional (Expenses) / Incomes				-
Profit / (Loss) before tax				**(1,616)**
Tax expenses				**(46)**
Net Profit / (Loss) for the year				**(1,570)**

	Chemicals	Bulk drugs and intermediates	Eliminations	Total
As at 31 March 2017				
Segment assets	**33,069**	**8,560**	**-**	**41,629**
Unallocated assets				**1,224**
Total assets	**33,069**	**8,560**	**-**	**42,854**
Segment liabilities	**19,600**	**2,186**	**-**	**21,786**
Unallocated liabilities				**16,889**
Total liabilities	**19,600**	**2,186**	**-**	**38,675**
Other segment information				
Capital expenditure:				
Tangible assets	**633**	**824**	**-**	**1,457**
Intangible assets	**22**	**-**	**-**	**22**
Depreciation	**1,049**	**279**	**-**	**1,328**
Amortization	**278**	**-**	**-**	**278**
Other non-cash expenses	**562**	**38**	**-**	**600**
Year ended 31 March 2016				
Revenue				
External sales	48,123	5,679	-	53,802
Inter-segment sales	-	195	(195)	-
Total revenue from operations (net)	48,123	5,874	(195)	53,802
Results				
Segment results	4,349	(330)	-	4,019
Unallocated expenses net of unallocable income				23
Operating profit				3,996
Finance costs				4,966
Exceptional (Expenses) / Incomes				2,352
Profit before tax				1,382
Tax expenses				54
Net profit for the year				1,328
As at 31 March 2016				
Segment assets	35,214	8,206	-	43,420
Unallocated assets				2,324
Total assets	35,214	8,206	-	45,744
Segment liabilities	17,374	2,086	-	19,460
Unallocated liabilities				20,161
Total liabilities	17,374	2,086	-	39,621
				-

Other segment information				
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

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)

Year ended 31 March 2017	India	Outside India	Total
Revenue from operations			
External customers	16,952	35,539	52,491
Other segment information			
Segment assets	30,029	12,825	42,854
Capital expenditure			
Tangible fixed assets	1,437	20	1,457
Intangible assets	22	-	22

Period ended 31 March 2016	India	Outside India	Total
Revenue from operations			
External customers	12,330	41,472	53,802
Other segment information			
Segment assets	29,830	15,914	45,744
Capital expenditure			
Tangible fixed assets	579	52	631
Intangible assets	209	26	235

32. Related party transactions

Name of the related parties and related party relationships

Related parties where control exists

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. Vice President (Finance) & Company Secretary
	7	Mr. Jain Prakash	-Sr. Vice President (Works)

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 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
Other related entities					
Hem-sil Trading and Manufacturing Limited	31 March 2017	**100**	**171**	**41**	**314**
	31 March 2016	-	516	73	344
Key managerial personnel					
Mr. Shalil Shroff	31 March 2017	**-**	**-**	**-**	**2**
	31 March 2016	-	-	-	2
Mr. Avtar Singh	31 March 2017	**-**	**-**	**-**	**2**
	31 March 2016	-	-	-	2
Mr. Punit K Abrol	31 March 2017	**-**	**-**	**-**	**10**
	31 March 2016	-	-	-	2
Mr. Jain Prakash	31 March 2017	-	-	-	**11**
	31 March 2016	-	-	-	0

b. Other transactions with related parties

Other related parties

	Year ended	Rent / Service Charges Income / (Expence) during the year	Amount receivable/ (Table) on account of income / (expense)
L & L Products Shroff Private Limited	31 March 2017	**10**	**-**
	31 March 2016	10	-

c. Remuneration and other benefits

	31 March 2017	31 March 2016
<u>Remuneration to Directors</u>		
Shalil Shroff	**68**	62
Avtar Singh	**65**	54
S. S. Tiwari	**-**	0.41

	31 March 2017	31 March 2016
Vipul Joshi	**54**	46
Punit K Abrol	**42**	32
Jain Prakash	**39**	-
<u>Benefits to Relatives</u>		
Shaila Shroff	**5**	4
Ravinder Kaur	**9**	8
Jaskaran Singh	**7**	4
Bhupinder Kaur	**1**	1
Rajni Tiwari	**-**	8
<u>Sitting Fees</u>		
Capt. S. S. Chopra (Retd)	**1.5**	1.5

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 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Claims against the company not acknowledged as debts		
Excise duty matters in dispute or under appeal	**582**	589
Income Tax matters in dispute or under appeal	**814**	814
Demand raised by Sales Tax Authorities	**11**	11
Labour laws matters in dispute or under appeal	**8**	7
Demand raised by previous land owners	**759**	660
Corporate guarantee given on behalf of the subsidiary companies (revalued at closing exchange rates)	**-**	1,226
[Includes Corporate Guarantee given to State Bank of India of Rs. Nil (Previous year: Rs. 1,226 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.		

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 accured 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

Rs. In lacs

	31 March 2017	31 March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**103**	31
	103	31

35. Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure of the as at the reporting date

		31 March 2017		31 March 2016	
	Currency	**Indian rupees (in lacs)**	**Foreign currency (in lacs)**	Indian rupees (in lacs)	Foreign currency (in lacs)
Trade receivable / advances to vendors	EUR	**866**	**12.63**	259	3.44
	USD	**2,647**	**41.06**	3,381	50.81
Trade payable / advances from customers	EUR	**85**	**1.22**	92	1.22
	USD	**3,783**	**58.26**	3,787	57.31

36. Details of dues to micro and small enterprises 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".

37. Information required for consolidated financial statements pursuant to Schedule III of Companies Act, 2013

		31 March 2017			
Name of the entity	**Particulars**	**Net assets as a % of consolidated**		**% of Share in profit and loss**	
		%	**Rs. In lacs**	**%**	**Rs. In lacs**
Punjab Chemicals & Crop Protection Limited	Parent	**136%**	**5,665**	**14%**	**213**
SD Agchem (Europe) NV	Foreign Subsidiary	**-27%**	**(1,132)**	**26%**	**404**
Sintesis Quimica S.A.I.C	Foreign Subsidiary	**-4%**	**(161)**	**-138%**	**(2,162)**
Stellar Marine Paints Limited	Joint Venture	**-1%**	**(56)**	**0%**	**(0)**
STS Chemicals (UK) Ltd	Foreign Subsidiary	**-3%**	**(138)**	**-2%**	**(24)**
		100%	**4,178**	**-100%**	**(1,570)**

As regards to previous year:

		31 March 2016			
Name of the entity	**Particulars**	**Net assets as a % of consolidated**		**% of Share in profit and loss**	
		%	**Rs. In lacs**	**%**	**Rs. In lacs**
Punjab Chemicals & Crop Protection Limited	Parent	89%	5,474	268%	3,562
SD Agchem (Europe) NV	Foreign Subsidiary	-3%	162	144%	1,908
Sintesis Quimica S.A.I.C	Foreign Subsidiary	11%	655	-307%	(4,076)
Stellar Marine Paints Limited	Joint Venture	-1%	(55)	0%	(1)
Source Dynamics LLC	Foreign Associate	-2%	(112)	-5%	(65)
		100%	6,124	100%	1,328

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 / (loss).

38. 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 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Salaries, wages and bonus	**11**	43
Raw Material Consumption	**106**	-
Store Consumption	**209**	85
Power and fuel	**24**	12
Finance costs	**4**	5
Others	**12**	-
Total amount capitalised	**366**	145

39. Operating lease

The Company has entered into agreements for leasing office premises on leave and license basis. The lease have life of 5 years and no restriction places upon the Company by entering into said leases. The specified disclosue in respect of these agreements is given below.

	31 March 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Charged to statement of profit and loss account	141	94
Future minimum rentals payable under non-cancellable operating leases are as under		
Within one year	141	141
After one year but not more than five years	329	470
More than five years	-	-

40. Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 as required with notification No G.S.R 307 (e) dated 30 March 2017 are as provided in table below.

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	13,49,500	19,74,479	33,23,979
(+) Permitted receipts	-	38,49,573	38,49,573
(-) Permitted payments	-	49,22,343	49,22,343
(-) Amount deposited in Banks	13,49,500	-	13,49,500
Closing cash in hand as on 30.12.2016	-	9,01,709	9,01,709

41. Break-up of deferred tax assets and deferred tax liabilities

		31 March 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Deferred tax liabilities			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting		**1,202**	1,324
	(A)	**1,202**	1,324
Deferred tax assets			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis			

		31 March 2017 Rs. In lacs	31 March 2016 Rs. In lacs
Provision for Gratuity		**457**	382
Provision for Leave encashment		**213**	125
Others		**24**	64
Unabsorbed losses and depreciation*		**508**	753
	(B)	**1,202**	1,324
Net deferred tax asset/(liability)	**(A) - (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.

42. Restructuring of Sintesis Quimica, S.A.I.C. Argentina (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 in previous year by virtue of which the amounts which are receivable and payable after one year, as per the Order, are classified as non-current.

During the current year, SQ has suffered loss of Rs. 2,162 lacs and the accumulated losses as at Makrch 31, 2017 is Rs. 5,382 lacs. The subsidiary company has met the inability to meet regular payments to creditors and other financial obligations in short term which raises significant doubt about the ability of the company to continue its operations and business viability. The financial statements of the company are prepared in accordance with valuation criteria applicable to a going concern. On account of which, the auditors of the company has given an adverse opinion on the financial statements since they do not include any adjustment in assets and liabilities to value them at their net realizable value. The financial statements of the subsidiary has been consolidated on as is basis and no adjustment has been made in consolidated financial statements of the Group for valuing assets and liabilities at their net realizable value.

The company is negotiating with a potential buyer for divesting Sintesis Quimica S.A.I.C. (Argentina) a step down subsidiary. The company is in the process of seeking approval of the same from the members of the company through Postal Ballot.

During the previous year, State Bank of India, Antwerp had approved the compromise settlement of the existing borrowings in SD Agchem (Europe) NV. As per the compromise settlement, the subsidiary company had to pay Rs. 1226 lacs upto December 8, 2016, against total outstanding dues of Rs. 1,801 lacs. The balance amount of Rs. 499 lacs was written back during the previous year. During the year, SD Agchem (Europe) NV has paid the entire compromise settlement amount of Rs. 1,226 lacs to State Bank of India, Antwerp.

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

As per terms of One Time Settlement (OTS) with State Bank of India (SBI), the Company in the previous year had 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 of Rs. 4,577 lacs was written back in the previous year and disclosed under Note 27 -Exceptional (Expenses)/Incomes in statement of profit & loss.

b. One Time Settlement (OTS) with State Bank of India, Antwerp Belgium

During the year, S D Agchem (Europe) NV has paid the entire compromise settlement amount of Rs. 1,226 lacs to State Bank of India, Antwerp.

c. One Time Settlement (OTS) with Central Bank of India

During the year, the Company has obtained approval of One Time Settlement (OTS) from Central bank of India. As per the terms of OTS, the Company has to pay Rs. 1609 lacs against dues of Rs. 1978 lacs. Out of the said amount, Rs. 401 lacs has been paid by the Company before March 31, 2017. The necessary adjustment in books of account will be carried out after complaince of all conditions as specified in said OTS.

d. Corporate Debt Restructuring

In the earlier periods, the Company had obtained an approval for Debt Restructuring (referred to as 'CDR') from the Corporate Debt Restructuting 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. 4,949 lacs (Previous year: Rs. 4,823 lacs) as of March 31, 2017. The balance amount of Rs. 51 lacs represents excess interest charged by one of the member of the CDR Scheme which will be adjusted/refunded.

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

In respect of overdue export receivables from its wholly owned subsidiary i.e. SD Agchem (Europe), NV, the company had 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 receivable into further investment. During the current year, the company has received necessary regulatory and other approvals. Accordingly, the overdue export trade receivable from SD Agchem (Europe) NV of Rs. 2,594 lacs has been converted into investment in equity share capital of the same company. This has consequential impact on provisions for diminution in value of investments and trade receivable written back. SD Agchem (Europe) NV has issued new shares with par value of Euro 615 per share resulting into issue of 5,789 equity shares and capitalised its overdue Trade Receivable (Export) of Rs. 2594 lacs of SD Agchem (Europe) NV.

45. Asset held for sale

a. During the previous year, the company had 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 had recognised a loss of Rs. 67 lacs in statement if profit and loss during the previous year and asset was transferred to Other current assets- Asses held for sale. In the current year, the Company has entered into Sale agreement of the office premise for a consideration of Rs. 1,115 lacs. Accordingly, the Company has recognised addtional loss of Rs. 85 lacs in the Statement of Profit and Loss Account.

b. During the previous year the Company had carried out physical verification and technical evaluation for usability of tangible and intangible assets at Tarapur unit. On such evaluation the management had identified tangible and intangible assets aggregating to Rs. 1163 lacs of no use by the Company. Accordingly, the management had decided to discarded / scrapped the assets. The Company had 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. During the current year, Assets held for sale has been reduced to Rs. 28 lacs on account of assets sold worth Rs. 4 lacs.

c. During the earlier years, the company had decided to sell off its Punc unit against which the company has reeceived an advance of Rs. 45 lacs.

46. 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 25, 2017

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 25, 2017

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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)
41st Annual General Meeting on Thursday, the 14th September, 2017 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: ____________________

P.T.O.

Please tear here

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 41st Annual General Meeting of the Company,to be held on Thursday, the 14th September, 2017 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
Ordinary business				
1.	To consider and adopt the Audited Standalone and Consolidated Balance Sheet as at March 31, 2017, Statement of Profit and Loss, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2017.			
2.	To appoint a Director in place of Smt. Sindhu Seth, 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.			
Special Business				
4.	To approve the remuneration of M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar, (Firm Registration No. 100123) Cost Auditor and fix remuneration.			

Signed this _____________ day of __________________2017.

Affix Re. 1/- Revenue Stamp

Signature of the Member Signature of the proxy holder(s)

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.

Corporate Social Responsibility

The Company has taken up few development activities in the nearby areas of the 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


Organized Health Checkup and Eye Operation Camps

UPGRADATION OF SCHOOL INFRASTRUCTURE

ACTIVITIES UNDER SDS MEMORIAL CHARITABLE TRUST

Blood Donation Camp at Agro Division, Derabassi

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 & Crop Protection Limited

CIN : L24231CH1975PLC003603

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

CORPORATE OFFICE :
Plot No. 645-646, 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

Printed at : BANSAL GRAPHICS, Shed No. 136-140/28, Ind. Area, Phase-1, CHD. ✆ 98152-64802, 98152-75760

Annexure 1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Consolidated Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in lacs)
	1.	Turnover / Total income	53,227	Impact of qualification is not determinable at this stage
	2.	Total Expenditure	54,797	
	3.	Net Profit/(Loss)	(1,570)	
	4.	Earnings Per Share	(12.80)	
	5.	Total Assets	42,854	
	6.	Total Liabilities	38,676	
	7.	Net Worth	4,178	
	8.	Any other financial item(s) (as felt appropriate by the management)	None	

II Audit Qualification (each audit qualification separately):

a) Details of Audit Qualification:

The Statutory Auditors have provided the following qualification in their annual report:

Basis of Adverse Opinion

In case of Sintesis Quimica S.A.I.C, a subsidiary of the Holding Company not audited by us, the other auditor have issued adverse audit opinion indicating that the financial statements of the said subsidiary have been prepared on considering the fundamental assumption of going concern which doesn't hold good, and the financial statements should have been prepared at their net realisable value and which is reproduced as under:

"In our opinion, the Financial Statements referred to in paragraph 1.1 reasonably present in all material respects the information of Sintesis Quimica S.A.I.C's financial position as of March 31, 2017, in accordance with Argentine GAAP, if the Company is considered to be going concern. However there are substantial doubts about the ability of the Company to continue its operations and business viability. The Financial statements referred to in paragraph 1.1 does not include the adjustments in assets and liabilities to value them at their net realisable value, as would correspond if the Company enter in a state of compulsory liquidation."

The operations and financial affairs of Sintesis Quimica S.A.I.C are material and having a pervasive effect on the Company's consolidated financial statements as at and for the year ended March 31, 2017. In our opinion the assets and liabilities should have been consolidated at net realisable values and accordingly assets and liabilities of Sintesis Quimica S.A.I.C are overstated at Rs. 12,160 lacs and Rs. 12,236 lacs respectively. However we are informed by the management that such final net realisable values are yet to be determined at this stage.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the consolidated financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017
(b) in the case of consolidated statement of profit and loss account, of the loss for the year ended on that date; and
(c) in the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

b) **Type of Audit Qualification : [Qualified Opinion / Disclaimer of Opinion / Adverse Opinion]**
Adverse Opinion

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		c) **Frequency of qualification: [Whether appeared first time / repetitive / since how long continuing]** This is the first financial year in which the above mentioned qualification is appearing.
		d) **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable
		e) **For Audit Qualification(s) where the impact is not quantified by the auditor:**
		i) **Management's estimation on the impact of audit qualification:** With regard to qualification by the Auditors in their Audit Report on the Consolidated financial statement, Sintesis Quimica, S.A.I.C Argentina, step down subsidiary is continuing its business operations as at March 31, 2017. Further the Company is negotiating with the potential buyer for divesting the said subsidiary and it is in the process of seeking approval from members of the Company through Postal Ballot. At this stage the impact of overstatement of assets and liabilities are not determinable.
		ii) **If management is unable to estimate the impact, reasons for the same:** The amount is not determinable at this stage.
		iii) **Auditors' Comments on (i) or (ii) above:** Our adverse opinion in the consolidated financial results of the Company is carried from the auditors' report of the subsidiary company not audited by us. As informed to us by the management of the Company, the overstatement of assets and liabilities are yet to be determined at this stage. Please refer our audit report dated May 25, 2017. Consequently, we are unable to comment on the impact of such qualification on the consolidated financial statements of the Company.

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III	Signatories	
	Shri Shalil Shroff, Managing Director (DIN: 00015621)	
	Shri Vipul Joshi, Chief Financial Officer	
	Shri Vijay Rai, Audit Committee Chairman	
	Statutory Auditors Mr. Ravi Bansal Partner Membership Number: 49365 For S R B C & Co. LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003	

Place: Mumbai

Date: 25th May, 2017