

A photograph showing a person's arm in a green sleeve on the left and a golden wheat stalk on the right, set against a dark green background. The text 'INJECTING IMMUNITY IN AGRICULTURE' is centered between them.

INJECTING IMMUNITY  
IN AGRICULTURE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hari Chand Aggarwal, *Chairman*  
Mr. Rajesh Aggarwal, *Managing Director*  
Mr. Sanjeev Bansal, *Whole-time Director*  
Mr. Rajender Pershad Gupta, *Director*  
Mr. Navneet Goel, *Director*  
Mr. Gopal Chandra Agarwal, *Director*  
Mr. Navin Shah, *Director*  
Mr. Anil Kumar Singh, *Director*

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Pankaj Gupta

AUDITORS

M/s Mohit Parekh & Co.  
*Chartered Accountants, Delhi*

INTERNAL AUDITORS

M/s Devesh Parekh & Co.  
*Chartered Accountants, Delhi*

INTERNAL AUDITORS (SYSTEM)

M/s Deloitte Haskins & Sells  
*Chartered Accountants, New Delhi*

BANKERS

Punjab National Bank  
Citi Bank N.A  
Standard Chartered Bank  
Yes Bank Ltd.  
HDFC Bank Ltd.  
ING Vysya Bank Ltd.

The Hongkong Shanghai Banking  
Corporation Ltd. (HSBC)  
IndusInd Bank Ltd.

REGISTRAR & TRANSFER AGENT

Alankit Assignments Ltd.  
Alankit House, 2E/21, Jhandewalan  
Extension, New Delhi – 110 055

REGISTERED & CORPORATE OFFICE

401-402, Lusa Tower,  
Azadpur Commercial Complex,  
Delhi – 110 033

INJECTING IMMUNITY



INJECTING IMMUNITY  
IN AGRICULTURE

India needs to boost its annual food-grain output by 20-25 million metric tons by 2016-17 from its current level in order to feed its 1.2 billion plus people and implement the proposed Food Security Program. The government is focusing to bring a green revolution in the eastern states and improve productivity of crops in rain-fed areas. The government is expected to spend an additional 1.1 trillion rupees to boost farm production and productivity over the next five years.

Judicious use of Agrochemicals help in preventing crop losses, reducing input costs and providing immense economic benefits to the farmers. Estimates suggest that crops worth about 1.1 trillion rupees are lost due to lower usage of Agrochemicals each year.

At Insecticides (India), we are empowering Indian farming community to not only contribute to the rising national farm output but also improve their economic well being. We are partnering Indian farmers in injecting immunity in agriculture.

*(Source: Press Release from Farm Secretary of India and ASSOCHAM Study)*

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IN AGRICULTURE



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# AGRICULTURAL GROWTH MEANS

The ₹10,000 crore Indian agrochemicals market is poised to cross ₹15,000 crore mark by 2015. Growing awareness about the positive impact and benefits of agrochemicals on the agri-produce is fuelling the growth and increased usage of agrochemicals in India. Need for crop protecting and growth augmenting chemicals amid farmers, growing shortage of farm labour due to NREGA, need for sustained improvement in food grain production, growth in organized retail and thriving domestic horticulture and floriculture industries are likely to sustain the growth momentum of Indian agrochemical sector.

Rapidly growing population is constantly putting huge pressure on arable land thereby making the use of agrochemicals inevitable to increase farm production in India. Considering the underlying growth prospects of agrochemicals, there is an urgent need to groom the farmers and inform them about their usage and application in terms of its quantity depending upon the nature of crops.

In terms of agrochemicals production, India ranks fourth in the world after USA, Japan and China respectively. Indian agrochemical companies are poised to leverage their wide distribution network, superior abilities in process optimization and low-cost manufacturing skills in order to make the most of unfolding opportunities.

# AGROCHEMICALS' GROWTH



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## LEADING THE GROWTH OF

Having made a modest foray into Indian agricultural space in 2002, Insecticides (India) has made rapid strides. With a brand portfolio of 105 products being marketed through an extensive network of 3200 distributors and 50,000 dealers across the length and breadth of India, Insecticides (India) has emerged as a leading Indian agrochemical player over these years.

In doing so, the Company has acquired leading brands from a famous company in 2002, entered into distribution tie-ups for globally successful brands of leading MNCs from the USA and Japan, stepped up its own research and development activities with setting up of a dedicated R&D facility, acquired certifications for quality and environmental management, went ahead to become listed and publicly traded, strengthened its formulation capabilities, and made successful foray into technical grade pesticides or active ingredients.

All along the Company has charted aggressive growth. From ₹42 crores in FY 03, its revenues have clocked a compounded annual growth rate (CAGR) of 33% to reach ₹554 crore in FY 12.

The Company had invested about ₹150 crore (approx.) in the last couple of years. It added two more plants in FY 12 to take the total number of its manufacturing facilities to five. The Company is geared up to maintain its growth momentum going forward and plans to continue with the capital investment by pumping in another ₹100 crore to expand its manufacturing capacities in the next 2-3 years.

## INDIAN AGROCHEMICALS



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## A VIBRANT PORTFOLIO

Insecticides (India) offers more than 105 types of insecticides, fungicides, herbicides, weedicides and plant growth regulators for all types of crops and household. The Company markets its products under its umbrella brand 'Tractor Brand'. The brand is hugely popular among users and the Company has inducted Bollywood actor Suniel Shetty as its brand ambassador.

Besides strengthening its own brands in Indian markets, the Company has made pioneering moves in bringing many internationally successful brands of agrochemical under exclusive marketing arrangements with their principles. It already has a technical collaboration with AMVAC, USA for one of the biggest brands of agrochemicals "Thimet". During this year, the Company made a breakthrough by clinching the sole marketing rights for a patented fungicide "Pulsor" from Nissan Chemical Industries, Ltd., Japan.

These arrangements bring best of global crop protection solutions to Indian Farmers. They enable Insecticides (India) leverage its deep domain understanding and wide distribution network in adding another revenue stream.

Continuing the relationship and looking forward to overwhelming response to "Thimet" and "Pulsor", the Company has expanded the agreements with Nissan Chemical Industries, Ltd., Japan and AMVAC, USA with two international products "Hakama" and "Nuvan" respectively this year in May 2012.

Today Insecticides (India) proudly has Lethal, Victor, Thimet, Monocil, Pulsor, Hakama and Nuvan in their kitty of product offerings.

## OF BRANDS



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# A GROWING MANUFACTURING

Insecticides (India) deploys a network of five state-of-the-art production facilities with world class automated machineries. Its technical synthesis plant manufactures technical grade chemicals including Imidacloprid, Acetamiprid, Dichlorovos, Lambdacyhalothrin, Glyphosate, Butachlor and Thiamethoxam.

During the year under review, the Company commenced commercial production at its newly added manufacturing facilities at Dahej and Udhampur. Adding these to the existing manufacturing facilities at Chopanki and Samba makes the combined manufacturing capacity of 175 lacs Litres of liquid, 17200 MT of powder and 55600 MT of granules per annum for the Company. The Company is poised to own one of the largest formulation facility in the Country with expansion in Samba & Dahej and a green field project in Chopanki (Rajasthan).

As a responsible organization, the Company has adopted various eco-friendly measures at its various plants. Most of products are recycled and converted to reusable form. Regular checking, corrective action, and management review of the systems are done to ensure an eco-friendly environment in and around the units.

The Company backs it manufacturing capabilities with a dedicated Research & Development Centre at Chopanki, Rajasthan. Approved by Department of Scientific and Industrial Research, the state-of-the-art centre is equipped with latest machines & equipments. The R&D Center has also been accredited with NABL certification. Company's competent R&D team has strived hard and met with successes in developing environment friendly formulations like Soluble Concentrates (SCs), Emulsion in Water (EWs), Wettable Dispersible Granules (WDGs). 12 new processes have been developed for making various technicals and 5 of them have been successfully applied for the process patents.



# FOOTPRINT

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## A CORPORATE WITH

As part of its Corporate Social Responsibility, the Company initiated a school adoption program titled 'Agla Kadam' way back in 2007. Aimed at facilitating education of children in rural India, the program begun with adoption of one school in 'Alike' village in Bhatinda district of Punjab and aid to few primary schools in Rajasthan.

During the year under review, the Company adopted three more schools namely Elementry Govt School, Harigarh (Barnala) and Elementry Govt School, Nawa Pind (Jalandher) in Punjab and Primary School at Koraput district in Odisha. Under this program, the Company provides study materials like bag, copies, pencils, geometry boxes etc. besides other incidental helps to school and children. This year, the Company also started Victor Scholarship Scheme for meritorious students.

The Company also initiated an awareness drive "Jagrukta Abhiyan" to impart latest information to the farmers and make them aware about the latest technology to improve their productivity across India four years back. Insecticides (India) have been successful in touching over one lakh farmers in these years all accross India.



## CONSCIENCE

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Dear Shareholders,

Despite a tough economic environment in India and the world, Insecticides (India) continued on its path of progress through the fiscal year 2011-12. The Company put up a spirited performance with revenue growth of 16% and EBITDA growth of 29% for the year. In doing so, we recorded net sales of ₹554 crore and net profit of ₹33 crore. Earnings per share stood at ₹26.03 and the Board of Directors has recommended a 25% dividend for FY 12 for the approval of fellow shareholders in our ensuing AGM.

## CHAIRMAN'S

The Company continued unabated with its focused attention on scaling up our Research & Development endeavours and also manufacturing capacities for formulation as well as technicals. The new plant set-up at Dahej (Gujarat) is a multi-purpose facility with six streams of technicals working simultaneously. The capacity of this plant in the first phase would be about 10,000 mts.

Continuing our drive to bring highly successful global brands in India, we inked our first marketing collaboration with a Japanese company, Nissan Chemical Industries, Ltd. in FY 12. Under this arrangement, we launched Pulsor, a systemic fungicide highly effective against diseases caused by *Rhizoctonia solani* on crops like paddy. Pulsor is a breakthrough patented product which provides a pre and post emergence solution. Our brands like Lethal, Victor, Thimet, Monocil are already the leaders in their category. Now two international products Nuvan from AMVAC, USA and Hakama from Nissan, Japan have joined the kitty to become future leaders.

As per the vision of the Company to impart knowledge about the latest technology and the products to farmers, this year we continued the drive and managed to reach notable number of farmers. We aim to magnify the awareness campaign to a big way next year.

As we move ahead, we remain committed to pursue aggressive growth by further strengthening our own capabilities and also leveraging our domain and distribution prowess towards bringing few more globally successful brands in India. As we gain economies of scale with backward integration, we are poised for margin enhancement going forward.

Contributions made by the management and employees of your Company deserve to be applauded. I thank the fellow members on the Board for their valued guidance and direction. We are privileged to enjoy the trust and patronage of our customers, distribution partners, investors, exchequer and the community at large and remain committed to create greater value for all of them.

Best regards,

H. C. Aggrawal  
Chairman

## MESSAGE

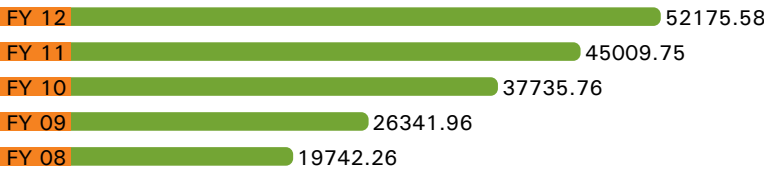
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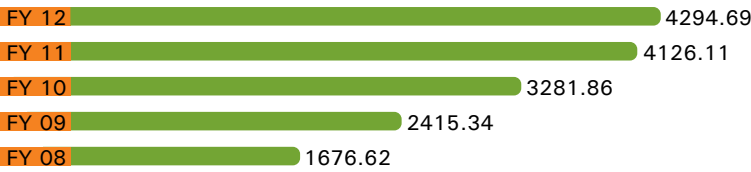
(₹ in Lacs, except otherwise stated)							
Description	FY 12	FY 11	FY 10	FY 09	FY 08	FY 07	FY 06
STATEMENT OF PROFIT & LOSS							
Revenue from Operations (Net)	52175.58	45009.75	37735.76	26341.96	19742.26	16801.83	12225.62
Other Income	8.52	14.71	128.53	145.78	178.95	25.63	9.20
Total Revenue	52184.10	45024.46	37864.29	26487.74	19921.21	16827.46	12234.82
Increase/(Decrease) in Stocks	4669.48	1641.97	1135.98	2332.73	689.80	559.30	424.99
Expenditure	43219.93	45321.32	37669.46	29515.11	21340.47	17982.02	12636.89
Earnings before Depreciation, Interest and Tax (EBDITA)	5644.78	4521.10	3653.55	2944.40	1969.94	1223.68	1312.28
EBDITA Margins (%)	10.82	10.04	9.68	11.18	9.98	7.28	10.73
Profit before Tax (PBT)	4294.69	4126.11	3281.86	2415.34	1676.62	1011.47	1142.01
Tax	993.17	904.50	460.17	336.01	249.84	154.57	124.02
Profit after Tax (PAT)	3301.52	3221.61	2821.69	2079.33	1426.78	856.90	1017.99
Pat Margins (%)	6.3	7.2	7.5	7.9	7.2	5.1	8.3
Dividend - Equity	317.07	317.07	253.66	253.66	190.24	-	124.04
Tax on Distributed Profit	51.44	51.44	42.13	43.11	32.33	-	17.39
Retained Earnings	2933.01	2853.10	2525.90	1782.55	1204.21	856.9	876.56
BALANCE SHEET							
Equity Capital	1268.30	1268.30	1268.30	1268.30	1268.30	947.27	930.30
Share Application Money	-	-	-	-	-	-	170.20
Reserve & Surplus	16948.41	14206.31	11353.22	8813.45	7030.89	2455.90	1446.28
Net Worth	18216.71	15474.61	12621.52	10081.75	8299.19	3403.17	2546.78
Borrowings	15340.06	3804.22	2189.75	1379.78	1495.94	1378.98	1138.52
Deffered Tax Liability (Net)	289.81	204.92	168.11	139.83	101.87	58.21	47.20
Total Capital Employed	33846.58	19483.75	14979.38	11601.36	9897.00	4840.36	3732.50
Net Fixed Assets	14322.44	9062.82	3259.01	2528.26	2005.75	1258.55	762.96
Investments	-	5.21	499.62	1717.24	1837.89	9.94	-
Miscellaneous Expenditure (to the extent not written-off)	364.85	349.18	361.77	371.81	383.72	0.83	1.99
Earning per Share (₹)	26.03	25.40	22.25	16.37	11.25	9.05	10.94
Book Value (₹)	143.63	122.01	99.52	79.49	65.44	35.93	27.38

FINANCIAL

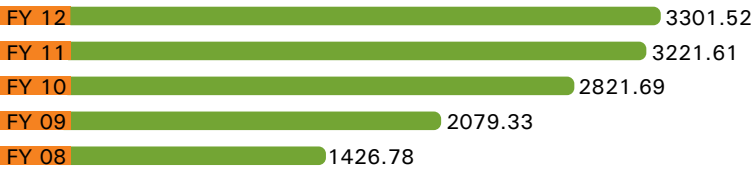
TURNOVER (NET)(₹ In Lacs)



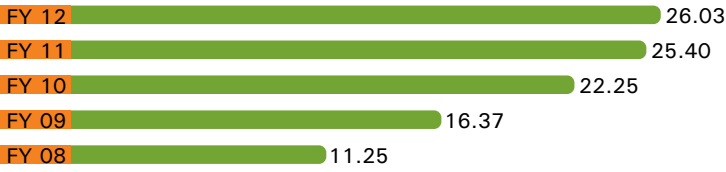
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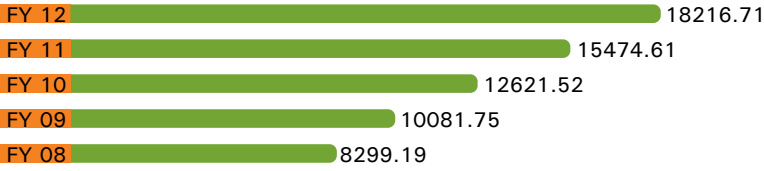
PAT (₹ In Lacs)



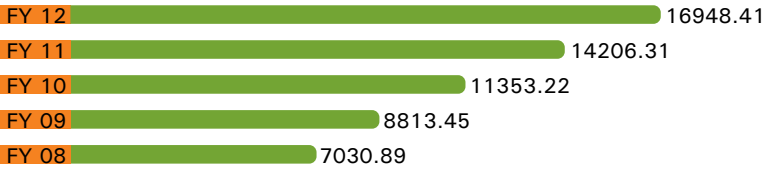
EPS (In ₹ )



NET WORTH (₹ In Lacs)



RESERVES AND SURPLUS (₹ In Lacs)



SUMMARY



**New fungicide launched in state**

Japanese firm  
launches  
new fungicide

इंसेक्टसाइड्स लि. ने निस्सान केमिकल्स के 2 जापानी प्रोडक्ट्स लांच किए

इंसेक्टसाइड्स (इंडिया) लि. भारत के टारगेट बाजारों की उम्मीद है। श्री. पी.सी.पन्नी, वाइस प्रेसिडेंट, कॉरपोरेट अफेयर्स ने कहा, "आइआइएल में हम, पूरे भारत में घूमकर पिछले 3 वर्षों से एक हमारे पास अपने लक्ष्य पर र

किसानों की मददगार  
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आइआईएल' बिदेदगार  
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गानों को जानकारी और गए बाजारों पर कवि  
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 [आदर्श खेती करने के बिजनेस किया है और  
 स तरह बढ़ाया जाए प्रोडक्ट्स हमारे पास  
 श्री. वी. के. सिंघल, इस वर्ष जन्म अच  
 realise

**'Pulsor can help realise potential of 100% output'**

### One Lakh farmers benefited from Awareness Drive of Insecticides

**Thapal, Aug. 9**—Ninth- and high-school farmers from across the country were successfully educated on right and prudent usage of agro-chemicals in crops as well as methods of improving yields under the auspices of the **Indian Farmers' Movement** by **International Children's League** Ltd.

The prime reason behind this just concluded drive was to make farmers

The awareness drive was conducted among the length and width of the country especially in agricultural states such as Maharashtra, Andhra Pradesh, Karnataka, Punjab, Rajasthan, Chhattisgarh, Uttar Pradesh, Madhya Pradesh, Orissa, and West Bengal. It has conducted over 2,000 meetings across all the Indian states at the small scale.

Landing the mth  
Mr. Rajesh Aggar  
Managing Director, I  
trides (India) Lim  
said, "Insecticides (Ba  
limited has always  
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large number of farms  
are not aware of the right  
and pesticides, use of agro-  
chemicals and therefore  
not being able to get the

**Q&A**

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# MANAGEMENT DISCUSSION & ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENTS

India needs to boost its annual food-grains output by 20-25 million metric tonnes by 2016-17 from its current level in order to feed its 1.2 billion plus people and implement the proposed Food Security Program. The government is focusing to bring a green revolution in the eastern states and improve productivity of crops in rain-fed areas. The government is expected to spend an additional 1.1 trillion rupees to boost farm production and productivity over the next five years.

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*(Source: Press Release from Farm Secretary of India and ASSOCHAM Study)*

## OPPORTUNITIES AND OUTLOOK

Opportunities are huge for the Agriculture Sector as well as the agro chemicals, as per the budget presentation also; thrust is being laid in converting the forest area to agricultural land. Government is also planning to pump in huge funds to increase the productivity. Credit flow is also promised to increase from 1 Lac Crores to 5.75 Lac Crores. Moreover Due to NREGA, there is a shortage of manpower leading to high labour cost, which has resulted in the increased usage of Herbicides.

Need not the mention, shrinking of agricultural lands has increased the trends of agrochemicals usage in the recent past. The awareness among the farmers is increasing and he is willing to invest in new technology.

## RISKS, CONCERNS AND THREATS

With the advent of the IPM technique, the use of Bio Pesticides and GM seeds have increased. In India Bt Seeds are widely used and the use of some insecticides may diminish in cotton crop but the scope in other crops goes up. The scope of the insecticides for the sucking pests, herbicides and the plant growth regulators increased in cotton. Monsoon and irrigation facilities have been pivotal in the crop scenario and have a fair impact on the demand of agro chemicals.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(₹ In Lacs)

PARTICULARS	STANDALONE			
	FY 2012		FY 2011	
	₹	%	₹	%
Total Turnover (Net)	52175.59	99.98	45009.75	99.97
Other Income	8.51	0.02	14.71	0.05
Total Income	52184.10	100.00	45024.46	100.00
Cost of Raw Material and Components Consumed	37532.38	71.92	30537.97	67.83
Purchase of Traded Goods	2939.53	5.63	1926.76	4.28
Decrease/(Increase) in Inventories of Finished Goods, WIP and Traded Goods	(4669.48)	(8.95)	(1641.97)	(3.65)
Employee Benefits Expenses	1729.68	3.31	1306.62	2.90
Other Expenses	9007.21	17.26	8517.21	18.92
Total Expenses	46539.32	89.18	40646.59	90.28
EBDITA	5644.78	10.82	4377.87	9.72
Depreciation and Amortization Expenses	235.66	0.45	152.96	0.34
Finance Costs	1114.43	2.14	98.80	0.22
Profit before Tax (PBT)	4294.69	8.23	4126.11	9.16
Taxation	993.17	-	904.50	-
Profit after Tax (PAT)	3301.52	6.33	3221.61	7.16
Earning per Share (₹)	26.03	-	25.40	-

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## STANDALONE BASIS

Total Net Turnover of the Company has stepped up from ₹45009.75 Lacs in FY 2011 to ₹52175.59 Lacs in FY 2012, thus is increase of 16% in the total net turnover of the Company. Profit before Taxation increased from ₹4126.11 Lacs during FY 2011 to ₹4294.69 Lacs during FY 2012. Profit after Tax for FY 2012 stood at ₹3301.52 Lacs compared to ₹3221.61 Lacs during FY 2011.

## INTERNAL CONTROL SYSTEM AND ADEQUACY

Company's Internal Control Systems are well commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all the offices, factories and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Company is trying to achieve adequate Internal Control Systems, which are well commensurate with the nature of its business and the size and complexity of its operations and provide reasonable assurances of recording the transactions of its operations in all material respects and protection against misuse or loss of Company Assets. Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems. The Internal Audit for the financial year 2011-12 was entrusted to M/s Devesh Parekh & Co., Chartered Accountants, Delhi.

The Enterprise Risk Management framework and CEO and CFO (Chief Financial Officer) certification as required under Clause 49 of the Listing Agreement with Stock Exchanges for controls testing pertaining to financial reporting, resulted in continuing improvement in internal control.

## HUMAN RESOURCES

The Company believes that employees are real assets and they treat them as their HR capital. Employee's set of skills and professionalism form a principle part of Insecticides (India)'s chemistry of success. The employees are evaluated and reviewed on Key Result Areas (KRAs) to assess the skills and plan for their future growth. Training needs are identified to meet individual requirements through in-house training, on-job training and outdoor training as a continuous process. Trainings are classified on the basis of requirements like individual development on soft skills, professional & technical skills and management development program. Current efforts also include building skills, attracting and retaining talent and nurturing and developing leadership potential. The Company also carried out an Internal Customer Satisfaction Survey to look for opportunities to enhance the employee satisfaction index.

Industrial relations continued to remain harmonious at all the manufacturing units during the year. The number of persons employed in the Company is 832 as on date.

## RESEARCH & DEVELOPMENT

With an advanced R&D Centre, Insecticides (India) is all set to accelerate crop production and contribute in the sustainable growth and prosperity of Indian Farmers. We are dedicated to develop quality products by bringing latest technology at an affordable price to the Indian Farmers. R&D Centre at Insecticides (India) is recognized with DSIR, Ministry of Science and Technology. Last year we got accreditation of NABL also. We now focus to get GLP as our next milestone. This year we also filed 3 new process patents. One of the breakthrough of this year was signing of agreement with DSIR for process development and commercialization of MNIO, an import substitute.

Insecticides (India) has a solid track-record of R&D activities that continuously contribute to improve farmer's life. Over 10 billion people will live on the Earth by 2050 and this challenge will be strongly influenced. We will have to deliver the needs of affordable and nutritious food, grown in a sustainable way. Our continued investment adds value to our existing businesses and creates many opportunities to grow in future. A dedicated R&D Centre with professional chemists/engineers carry out a wide range of chemical reactions with an analytical support of GC, HPLC, GC Mass, AAS, UV and Infrared Spectrophotometer etc. Fully documented ISO-9001:2004 & ISO-14001:2008 certified systems are in place to add Management Systems.



## ENVIRONMENT, HEALTH & SAFETY (EHS)

The Company has a environmental policy for implementing an Environmental Management System (EMS) for meeting the content & purpose of organization's Environmental Policy & objectives which take into account legal requirements and other requirements to which the organization subscribes and information about significant environmental aspects. It aims at use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts.

Occupational Health & Safety describes the Occupational Health & Safety Management System adopted by the company, the elements of the OHSAS 18001:1999 Amendment 1:2002 standard and measures stipulated for ensuring the conformance to the Occupational Health & Safety Management System, legal & statutory requirements, continual improvement and satisfaction of interested parties (i.e. customers, suppliers, employees and public).

## CORPORATE SUSTAINABILITY

Realizing its social responsibility, the company had started a social welfare programme "Agla Kadam" in Punjab and Rajasthan four years ago, where it has adopted villages to offer people the basic needs of life healthcare, education, women empowerment. It is undertaking various activities for them such as providing books and study material to children, giving scholarships and aid for schools, providing vocational education like stitching, embroidery etc. to girls and ladies for self-employment, providing technical education to farmers about new and latest technologies etc to increase their yield and improve their income.

This year three more schools were adopted, two in Punjab and one in Odhisa, so as to take the mission to all spheres of the nation. The company aims to adopt more villages in other parts of the country as well.

Identifying the need of information among farmers for their upliftment, your company had also started a farmer awareness initiative "JAGRUKTA ABHIYAN", four years ago, where a team of agri experts is deputed to train and help the farmers for better agricultural practices. This campaign was very well accepted by the farmers all across the country. This campaign is now running in mostly all the states and stage is all set to take this mission to a large scale in the next year.

## CAUTIONARY STATEMENT

No reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Certain statements contained in this document may be statements of future expectations, forecasts and other forward-looking statements that are based on management's current view and assumptions. Such statements are by their nature subject to significant uncertainties and contingencies and the actual results, performance or events may differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on any forward looking statement.

*For and on behalf of the Board*

**Insecticides (India) Limited**

(Hari Chand Aggarwal)

Chairman

DIN-00577015

Place: Delhi

Dated: August 29, 2012

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# DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the Fifteenth Annual Report and the Audited Statements of Accounts of the Company for the year ended March 31, 2012.

## 1. FINANCIAL RESULTS

(₹ In Lacs)		
Particulars	Current Year March 31, 2012	Previous Year March 31, 2011
Turnover (Net)	52175.58	45009.75
Other Income	8.52	14.71
<b>Total Income</b>	<b>52184.10</b>	<b>45024.46</b>
<b>Earnings before Interest, Depreciation &amp; Taxation (EBIDTA)</b>	<b>5644.78</b>	<b>4521.10</b>
Less: Finance Costs	1114.43	98.80
Depreciation	235.66	152.96
<b>Profit before Taxation (PBT)</b>	<b>4294.69</b>	<b>4126.11</b>
Less: Provision for Income Tax	908.28	867.69
Deferred Tax	84.89	36.81
<b>Profit after Tax (PAT)</b>	<b>3301.52</b>	<b>3221.61</b>
<b>Amount available for appropriation</b>	<b>13127.70</b>	<b>10516.85</b>
Proposed Final Dividend	317.07	317.07
Income Tax on the Proposed Final Dividend	51.44	51.44
Transfer to General Reserve	330.15	322.16
<b>Balance carried forward to Balance Sheet</b>	<b>12429.04</b>	<b>9826.18</b>

## 2. REVIEW OF PERFORMANCE

During the year under review, the net turnover of the Company rose to ₹52175.58 Lacs as against ₹45009.75 Lacs reported last year, registering a growth of 16%. The Company has earned net profit ₹3301.52 Lacs, as against the net profit of ₹3221.61 Lacs reported last year, registering a growth of 2%. The improvement in performance of your Company could mainly be attributed to better capacity utilization, ongoing emphasis on productivity and efficiency, improvement in all areas of operation.

## 3. DIVIDEND

The Board of Directors has recommended a final dividend of ₹2.50 per Equity Share for the year 2011-12 (Previous year ₹2.50 per Equity Share). The final dividend, if approved at the ensuing Annual General Meeting will be paid to all those Equity Shareholders whose name appear in the Register of Members as on September 19, 2012. The amount of dividend and the tax thereon aggregates to ₹317.07 Lacs and ₹51.44 Lacs.

## 4. FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits within the meaning of Section 58-A and 58AA of the Companies Act, 1956 and rules made there under.

## 5. POLLUTION CONTROL

The Company has taken various initiatives to keep the environment free from pollution. It has already installed various devices in the factories to control the pollution.

## 6. SUBSIDIARY COMPANY

During the year, there is no any subsidiary company (ies) of the Company.

## 7. DIRECTORS

Presently your Board constitutes of Eight (8) Directors comprising of Mr. Hari Chand Aggarwal as Chairman, Mr. Rajesh Aggarwal as Managing Director, Mr. Sanjeev Bansal as Whole-time Director, Mr. Rajender Pershad Gupta, Mr. Navneet Goel, Mr. Gopal Chandra Agarwal, Mr. Navin Shah and Mr. Anil Kumar Singh being the Independent & Non-executive Directors.

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and in accordance with Article 89 of the Articles of Association of the Company, Mr. Rajender Pershad Gupta and Mr. Navneet Goel, Directors



of the Company who retires by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Details of the Directors seeking re-appointment as required under Clause 49(VI) of the Listing Agreements entered into with the Stock Exchanges are provided in the Notice forming part of this Annual Report.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 274(1)(g) of the Companies Act, 1956.

#### 8. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) 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 at the end of the financial year and of the profit of the Company for the year ended on that date;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts on a going concern basis.

#### 9. CORPORATE GOVERNANCE

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance.

A report on the Corporate Governance practices followed by the Company, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are attached to this report.

#### 10. AUDITORS AND AUDITORS' REPORT

The Company recommends the appointment Messer Mohit Parekh & Co., Chartered Accountants, Statutory Auditors of the Company, subject to the approval of Members at the ensuing Annual General Meeting. The Company has received a letter from Messer Mohit Parekh & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the said Act. The Auditors have also confirmed that they hold a valid certificate issued by the 'Peer Review Board' of Institute of Chartered Accountants of India (ICAI).

The notes on accounts referred to the Auditors' Report are self-explanatory and therefore do not call for any further comments.

#### 11. COST AUDITORS

M/s A.G.S. & Associates, Cost Accountants were re-appointed as Cost Auditors of the Company for conducting audit of the cost accounts maintained by the Company in respect of Insecticides for the year 2012-13.

#### 12. EXCISE DUTY

During the year under review, a sum of ₹3232.64 Lacs was paid on account of Excise Duty on various products manufactured by your Company.

#### 13. HUMAN RESOURCES

In spite of a challenging year with demands of the products decreasing, cordial industrial relations environment prevailed at all the manufacturing units of the Company during the year.

#### 14. QUALITY POLICY/CERTIFICATION

The Company is committed to provide consistent good quality products to its customers worldwide and for achievement of world class quality in the products manufactured, every employee is involved in ensuring quality of products at all times. Management on its part is fully committed to further improve quality and provides all resources to accomplish this task. The Company is also committed to continually

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improve safety and health of employees and working environment through institutionalizing proactive safety, health and environmental management strategies.

**15. CREDIT RATING**

Your Company has sustained its long term credit rating of CRISIL A/Stable and its short term credit rating of CRISIL A1 by CRISIL Limited. This indicates a very strong degree of safety with regard to timely payment of interest and principal.

**16. CORPORATE SOCIAL RESPONSIBILITY**

The Company is contributing to sustainable development by its economic activities combined with the fulfillment of its social responsibilities relating to the education, health, safety and environment aspects.

**17. INSURANCE**

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

**18. EXPORT**

During the year, the export turnover is ₹55.49 Lacs compared to ₹35.90 Lacs achieved during the previous year. The Company has participated in various exhibitions and conferences through the World and the Company is planning for registration in various countries.

**19. FOREIGN COLLABORATION**

During the year, your company has tied-up with Nissan Chemical Industries, Ltd. (Japan) for marketing of their Patented Product (Pulsor) in India.

**20. COMMENCEMENT OF PRODUCTION**

During the year, your company has commenced the production in the new established formulation plant situated at Dahej (Gujarat) and Udampur (J&K).

**21. R & D SIGNS AGREEMENT WITH CSIR**

During the year, your Company has entered into an agreement with National Research Development Corporation, an Enterprise of Department of Scientific & Industrial Research, Ministry of Science & Technology, Government of India regarding Technology support for research and development of 3-methyl-N-nitroimino perhydro-1,3,5-oxadiazine (MNIO).

**22. THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED**

During the year under report, there was no employee drawing a salary exceeding the limits prescribed u/s 217 (2A) of the Companies Act, 1956 read with rules made there under.

**23. ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

A Statement containing necessary information, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto.

**24. CASH FLOW ANALYSIS**

The Cash Flow Statement for the year under reference in terms of Clause 32 of the Listing Agreement with the Stock Exchanges is annexed hereto.

**25. APPRECIATION**

The Directors wish to thank Creditors, Investors, Banks and Government Authorities for their continued support. The Directors also wish to place on record their deep sense of gratitude for the committed services of the Executives Staff and Workers of the Company.

**We would also like to express sincere thanks to our Shareholders for their confidence and understanding.**

For and on behalf of the Board  
**Insecticides (India) Limited**

**(Hari Chand Aggarwal)**

Chairman

DIN-00577015

Place : Delhi

Dated : August 29, 2012



# ANNEXURE TO THE DIRECTORS' REPORT

## (Under Section 217(1)(e) of the Companies Act, 1956)

Information as required u/s 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is set out as under:

### A. Conservation of Energy

#### i) Energy Conservation Measures taken

Energy conservation efforts are ongoing activities. During the year under review, further efforts were made to ensure optimum utilization of fuel and electricity.

- ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : Nil
- iii) Impact of measures at (i) & (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods: Nil
- iv) Total energy consumption and energy consumption per unit of production as per Form 'A'

#### FORM 'A'

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

#### I. Power and Fuel Consumption

Particulars		Current Year	Previous Year
<b>Electricity</b>			
a) Purchase – Chopanki Unit			
Units		243238	232764
Total Amount	(₹ In Lacs)	13.59	11.74
Average Rate/Unit	(₹)	5.59	4.93
b) Purchase – Samba Unit			
Units		368185	461800
Total Amount	(₹ In Lacs)	13.94	14.30
Average Rate/Unit	(₹)	3.79	3.10
c) Purchase – Technical Plant (Chopanki)			
Units		450780	925890
Total Amount	(₹ In Lacs)	47.84	41.32
Average Rate/Unit	(₹)	10.61	4.46
d) Purchase – Dahej Unit			
Units		61638	Nil
Total Amount	(₹ In Lacs)	4.11	Nil
Average Rate/Unit	(₹)	6.67	Nil
e) Own Generation – Chopanki Unit (Through Diesel Generator)			
Unit	Ltr.	14150	9170
Total Amount	(₹ In Lacs)	5.60	3.38
Average Rate/Unit	(₹)	39.57	36.88
f) Own Generation – Samba Unit (Through Diesel Generator)			
Unit	Ltr.	31000	40500
Total Amount	(₹ In Lacs)	12.93	15.56
Average Rate/Unit	(₹)	41.72	38.41

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Particulars		Current Year	Previous Year
g) Own Generation – Technical Plant (Chopanki) (Through Diesel Generator)			
Unit	Ltr.	27450	36752
Total Amount	(₹ In Lacs)	10.80	13.51
Average Rate/Unit	(₹)	39.34	36.76
h) Own Generation – Udhampur Unit (Through Diesel Generator)			
Unit	Ltr.	15600	Nil
Total Amount	(₹ In Lacs)	6.66	Nil
Average Rate/Unit	(₹)	42.72	Nil
i) Own Generation – Dahej Unit (Through Diesel Generator)			
Unit	Ltr.	9078	Nil
Total Amount	(₹ In Lacs)	4.20	Nil
Average Rate/Unit	(₹)	46.22	Nil
j) Own Generation – Dahej Unit (Through Gas)			
Unit	SCM	49313	Nil
Total Amount	(₹ In Lacs)	12.67	Nil
Average Rate/Unit	(₹)	25.70	Nil
<b>Coal (Quantity)</b>			
Total Cost & Average Rate		Nil	Nil
<b>Furance Oil (KL.)</b>			
Total Cost & Average Rate		Nil	Nil
<b>Other/Internal Generation (MT)</b>			
Total Cost & Average Rate		Nil	Nil

## II. Consumption per unit of production

The Company is a multi-divisional unit, producing a variety of products, proper allocation of energy cannot be ascertained.

## B. Technology Absorption and Research & Development

### i) Technology Absorption

- The Company has entered in to technical know-how collaboration from foreign organization.
- Product improvements have and will continue to result in improved productivity and cost reduction and this will result in improving the profitability of the Company

### ii) Research and Development (R&D)

- Specific areas in which R&D carried out:
  - Improvement in the overall quality of Pesticides and Insecticides
  - Process development for manufacturing of molecules
- Benefits derived as a result of the above R&D
  - Improvement in Product Quality
  - Process development work has resulted in cost and time reduction
- Future Plan of Action
  - Development of new Products and Process

(d) Expenditure on R&D

Particulars	Amount (₹ In Lacs)
Capital	181.44
Recurring	148.01
<b>Total</b>	<b>329.45</b>
Total R&D Expenditure as a percentage of the Turnover	0.63

**C. Foreign Exchange Earning & Outgo**

- i) Information relating to export is contained in the Directors' Report
- ii) Total Foreign Exchange used and earned

Particulars	Amount (₹ In Lacs)
<b>Foreign Exchange Used</b>	
a) Professional Charges	3.60
b) Sales Promotion	26.87
c) Tour & Travelling	2.42
d) Royalty	90.77
e) Interest	132.04
<b>Total</b>	<b>255.70</b>
<b>Foreign Exchange Earned</b>	
Export Sales	55.49

For and on behalf of the Board  
**Insecticides (India) Limited**

**(Hari Chand Aggarwal)**

Chairman  
DIN - 00577015

Place: Delhi

Dated: August 29, 2012

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# REPORT ON CORPORATE GOVERNANCE

Your Company has been practicing the principle of good Corporate Governance, which comprises all activities that result in the control of the Company in a regular manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:

## COMPANY'S PHILOSOPHY

Insecticides (India) Limited (ILL) defines Corporate Governance as a process directing the affairs of the Company with integrity, transparency and fairness, so as to optimize its performance and maximize the long term shareholder value in legal and ethical manner, ensuring justice, courtesy, and dignity in all transactions of the Company. Your Company is committed to good Corporate Governance in all its activities and processes.

The Company maintains the optimum combination of Executive and Independent Directors having rich experience in related sectors for providing premeditated directions to the Company. The Board of Directors always endeavor to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value, while, of the same time, respecting the right of all stakeholders.

## I. BOARD OF DIRECTORS

### (A) Composition of Board

As on March 31, 2012, Board of the Company comprises of 8 (Eight) Directors, of which 3 (Three) are Executive Directors and rest 5 (Five) are Independent/Non-executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement and category wise details as follows:

Category of Directors	Number of Directors	Percentage (%) to Total no. of Directors
Executive Directors	3	38
Independent/ Non-executive Directors	5	62
Other	Nil	Nil
<b>Total</b>	<b>8</b>	<b>100</b>

There is no nominee director, appointed by any Financial Institution/Bank on the Board. Independent/ Non-executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2011-12 which may affect their judgments in any manner. As on March 31, 2012, the composition of the Board of Directors was as under:

Sl. No.	Directors	Category	No. of Outside Directorship	Membership / Chairmanship
			Companies	Committees
1	Mr. Hari Chand Aggarwal	Chairman	None	None
2	Mr. Rajesh Aggarwal	Managing Director	None	None
3	Mr. Sanjeev Bansal	Whole-time Director	None	None
4	Mr. Navneet Goel	Independent/Non-executive Director	None	None
5	Mr. Rajender Pershad Gupta	Independent/Non-executive Director	None	None
6	Mr. Gopal Chandra Agarwal	Independent/Non-executive Director	1	None
7	Mr. Navin Shah	Independent/Non-executive Director	None	None
8	Mr. Anil Kumar Singh	Independent/Non-executive Director	None	None

**(B) Information as required under Clause 49(vi) of the Listing Agreement in respect of Directors being re-appointed forms part of the notice of the ensuing Annual General Meeting.**

**(C) Independent/Non-executive Directors' disclosures**

All sitting fees paid to Independent/Non-executive Directors, shall be fixed by the Board of Directors and as reviewed by the Remuneration Committee.

No stock options were granted to Independent/Non-executive Directors during the year under review.

**(D) Meetings and Attendance of the Board**

During the financial year 2011-12, 5 (Five) board meetings were held. The dates on which the said meetings were held are as follows:

Month	Date
May	May 30, 2011
August	August 10, 2011
September	September 27, 2011
November	November 14, 2011
February	February 14, 2012

The Last Annual General Meeting of your Company was held on August 26, 2011.

None of the Directors of the Board serve as members of more than 10 (Ten) committees nor do they chair more than 5 (Five) committees as per the requirements of the Listing Agreement with the Stock Exchanges.

The attendance of each director at these meetings is as follows:

Sl. No.	Members	No. of Board Meetings Attended	AGM held on August 26, 2011 Attended
1	Mr. Hari Chand Aggarwal	5	Yes
2	Mr. Rajesh Aggarwal	5	Yes
3	Mr. Sanjeev Bansal	5	Yes
4	Mr. Rajender Pershad Gupta	4	Yes
5	Mr. Navneet Goel	5	Yes
6	Mr. Gopal Chandra Agarwal	5	Yes
7	Mr. Navin Shah	5	Yes
8	Mr. Anil Kumar Singh	5	Yes

**(E) Information supplied to the Board**

In terms of quality and importance, the information supplied by management to the Board of Insecticides (India) Ltd. is far ahead of the list mandated under Clause 49 of the Listing Agreement.

**(F) Compliance**

The Company Secretary, while preparing the agenda, notes on agenda, minutes, etc of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued thereunder and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

**(G) Code of Conduct**

- (i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Independent/Non-executive Directors have been sent to all the Directors and Senior Management Personnel. The Code of Conduct is available on the Company's website [www.insecticidesindia.com](http://www.insecticidesindia.com) and copy of the Code of Conduct can be inspected at the Registered Office of the Company during the business hours.
- (ii) All the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as applicable to them during the year ended on March 31, 2012. The annual report of the Company contains certificate duly signed by the Managing Director & CEO.

**(H) Relationship among the Directors**

Sl. No.	Name of Directors	Relationship with other Directors
1	Mr. Hari Chand Aggarwal	Father of Mr. Rajesh Aggarwal and Father in law of Mr. Sanjeev Bansal
2	Mr. Rajesh Aggarwal	Son of Mr. Hari Chand Aggarwal and Brother in law of Mr. Sanjeev Bansal
3	Mr. Sanjeev Bansal	Son in law of Mr. Hari Chand Aggarwal and Sister's husband of Mr. Rajesh Aggarwal

**(I) Insider Trading Policy**

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (SEBI), the Company has adopted Code of Conduct for Prevention of Insider Trading. The Company inter alia, observes closed period of trading, prohibition on dealing, communicating or counseling and policy on disclosure as well.

**II. Audit Committee**

The Board has established an Audit Committee.

**(A) Qualified and Independent Audit Committee**

The Company complies with the provisions of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement pertaining to the Audit Committee. Its composition and functioning is as under:

- i) The Audit Committee consists of the three directors as members and all of them are independent directors.
- ii) All members of the committee are financially literate and present Chairman Mr. Navneet Goel is having the requisite financial management expertise.
- iii) The Chairman of the Audit Committee is an independent director.
- iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 26, 2011.
- v) The Statutory Auditors including his representatives and such other person and official of the Company are invited to attend the Audit Committee meetings as and when required.
- vi) The Company Secretary & Compliance Officer acts as the Secretary to the Committee.



**(B) Meeting of the Audit Committee**

During the year under review, the Audit Committee was reconstituted. During the financial year, the Audit Committee met Four times: May 30, 2011, August 10, 2011, November 14, 2011 and February 14, 2012. The Audit Committee Meetings were held at the Registered Office of the Company. The proper quorum was present in all the Audit Committee Meetings held during the year.

The composition of the Audit Committee and number of meetings attended by the Members are given below:

Name of Member	Composition of the Audit Committee	Number of meetings attended
Mr. Navneet Goel	Chairman	4
Mr. Gopal Chandra Agarwal	Member	4
Mr. Anil Kumar Singh	Member	4

**(C) Powers of Audit Committee**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**(D) Role of Audit Committee**

The role of the Audit Committee includes the following:

- Review of the Company's financial reporting process, the financial statements and financial / risk management policies.
- Recommend the Board on appointment / re-appointment of statutory auditors and fixation of audit fee and other fees to auditors.
- Review of the adequacy of the internal control systems in the Company.
- Review of the internal audit report.
- Discussions with management of the external auditors, the audit plan for the financial year and joint post-audit review of the same.
- Review of the quarterly and annual financial statements before submission to the Board.
- Disclosure of contingent liabilities.
- Review the quarterly and half yearly financial results and the annual financial statements before they are submitted to the Board of Directors.
- Review of compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions.
- To carry out any of the functions contained in the Corporate Governance Clause of the Listing Agreement.
- To appointment of cost auditors and fixation of audit and other fees of such auditors.

**(E) Review of information by Audit Committee**

The Audit Committee has reviewed the following information during the year:

- Management Discussion and Analysis of financial condition and results of operations of the Company.

LETHAL  
VICTOR  
THIMET  
MONOCIL  
PULSOR  
HAKAMA  
NUVAN  
SUPER STAR  
PHENTOM  
AVON PLUS  
METRO  
VICTOR SUPER  
INDAN SP  
FLITE 71  
ARROW  
LETHAL  
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HAKAMA  
NUVAN  
SUPER STAR  
PHENTOM  
AVON PLUS  
METRO  
VICTOR SUPER  
INDAN SP  
FLITE 71  
ARROW

2. The reports of Statutory Auditors.
3. The reports of Internal Audit.

### III. Subsidiary Companies

During the year under review, there have no subsidiary company(ies) of the company.

### IV. Remuneration Committee

During the year, the Remuneration Committee was reconstituted and presently comprises of three members Mr. Rajendra Pershad Gupta was the Chairman of the Committee and Mr. Gopal Chandra Agarwal and Mr. Navin Shah were other members, all of them being Independent & Non-executive Directors. The Committee have met 2 (Two) times for review and discussion on remuneration of CFO (Chief Financial Officer), senior management and also review and discussion on remuneration alongwith other terms & conditions for re-appointment of managing director.

The Committee is responsible for considering and approving the remuneration and commission of the Managing/Executive Directors and recommending the fees and commission payable, if any, to the Non-executive Directors.

### V. Investors Grievance/Transfer Committee

During the year, the Investors Grievance/Transfer Committee was reconstituted and presently comprises of three members Mr. Gopal Chandra Agarwal was the Chairman of the Committee and Mr. Rajender Pershad Gupta and Mr. Anil Kumar Singh were other members, all of them being Independent & Non-executive Directors.

During the year under review, the committee met 7 (Seven) times to review the investors' services rendered. Members were present at the meeting. The Company Secretary (who is also the compliance officer) was also present.

All physical transfers of shares as well as requests for dematerialisation/rematerialisation have been discussed in the meeting.

During the year under review, 16 (Sixteen) complaints were received, all of which were responded to/ resolved except one complain and details of complaints are as follows:

Sl. No.	Nature of Complaints	Received	Resolved	Pending
1	Non-receipt of Dividend Warrants in respect of Shares	3	3	Nil
2	Non-receipt of Annual Report	13	12	1
	Total	16	15	1

### VI. Disclosures

#### (A) Basis of related party transactions

Transactions with related parties are disclosed in notes to the accounts in detail.

#### (B) Disclosure of Accounting Treatment

There has not been any change in accounting policies of the Company.



**(C) Risk Management**

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

**(D) Remuneration of Directors**

- i) Remuneration was paid to the Executive Directors during the year.
- ii) Sitting fees was paid to the Independent/Non-executive Directors.
- iii) The Independent/Non-executive Directors have disclosed that they do not hold any shares and / or any convertible instruments in the Company except Mr. Gopal Chandra Agarwal and he is holding the shares of the Company alongwith dependents. The Company has fulfilled all compliances for holding the said shares.
- iv) There was no new appointment of Independent/Non-executive Directors on the Board of Directors of the Company during the year under review.
- v) There has been no pecuniary relationship or transactions of the Independent/Non- executive Directors vis-à-vis the Company during the year under review.
- vi) The Register of Contracts maintained by the Company under Section 301 of the Companies Act, 1956, contains record of the transactions entered in this register. The register is signed by the Chairman and Managing Director on behalf of all present board members.

- Remuneration and Sitting Fees paid/payable to the Directors during the year 2011-12:

(₹ in Lacs)							
Sl. No.	Name of Directors	Basic Salary	Perquisites / Allowances	Bonus / Incentives	Commission	Sitting Fees	Total
1.	Mr. Hari Chand Aggarwal	18.00	18.00	1.80	-	-	37.80
2.	Mr. Rajesh Aggarwal	22.54	22.53	2.25	-	-	47.32
3.	Mr. Sanjeev Bansal	3.00	3.00	0.30	-	-	6.30
4.	Mr. Rajender Pershad Gupta	-	-	-	-	0.60	0.60
5.	Mr. Navneet Goel	-	-	-	-	0.75	0.75
6.	Mr. Gopal Chandra Agarwal	-	-	-	-	0.75	0.75
7.	Mr. Navin Shah	-	-	-	-	0.75	0.75
8.	Mr. Anil Kumar Singh	-	-	-	-	0.75	0.75

**Notes:** None of the Directors are eligible for any severance pay and none of them hold any stock options as at March 31, 2012.

The Company has pay sitting fees to Independent / Non-executive Directors for joining every Board of Directors Meeting.

The term of Executive Directors does not exceed 5 years and Independent / Non-executive Directors shall be continued to office upto hold the office.

**(E) Whistle Blower Policy**

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

**(F) Compliances**

**i) Mandatory Requirements**

Compliance Report of IIL with the applicable mandatory requirements of Clause 49 is as under:

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
<b>I Board of Directors</b>	49 I		
(A) Composition of Board	49(IA)	Yes	
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	Yes	
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	(49 (ID)	Yes	
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee		Yes	
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	No	There have no any Subsidiary Company
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of Related Party Transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (IV D)	N.A	The Company was not any further issue of shares
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
<b>V. CEO/CFO Certification</b>	49 (V)	Yes	
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	
<b>VII. Compliance</b>	49 (VII)	Yes	



## ii) Non-mandatory Requirements

The Company had not adopted the non-mandatory requirements as mentioned in the Clause 49.

## (G) Management

### i) Management discussion and analysis

This is given as a separate chapter in the Annual Report.

### ii) Warning against insider trading

Comprehensive guidelines in accordance with SEBI regulations are in place. The Code of Conduct and corporate disclosure practices framed by the company have helped in ensuring Compliance with the requirements.

## (H) other information

### i) CEO and CFO Certification

The Managing Director (CEO) and CFO (Chief Financial Officer) have certified to the Board of Directors of the Company that:

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 their knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

The other information on Corporate Governance Report for the benefit of shareholders is as under:

## GENERAL BODY MEETINGS

Location and time of General Meetings held in the last 3 years:

Year	Type	Date	Venue	Time
2009	AGM	August 12, 2009	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	11.00 A.M.
2010	AGM	August 23, 2010	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	11.30 A.M.
2011	AGM	August 26, 2011	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	12.30 P.M.

The special resolution was not passed in the Annual General Meeting 2009 and resolutions were passed in the Annual General Meeting 2010 & 2011 respectively.

## Postal Ballot

During the year, the company has not passed any resolution through postal ballot.

LETHAL  
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MONOCIL  
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NUVAN  
SUPER STAR  
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VICTOR SUPER  
INDAN SP  
FLITE 71  
ARROW

### Means of Communication

- (i) Website: The Company's official news and other important investor related information are periodically displayed and updated on the company's website; viz. [www.insecticidesindia.com](http://www.insecticidesindia.com)
- (ii) Presentation made to institutional investors or to the analysts: Not Applicable.

### Details of capital market non-compliance, if any

There has been no non-compliance by the Company of any legal requirements, nor has there been any penalty, stricture imposed on the Company by any Stock Exchange, SEBI or any statutory authority on any matter related to capital market during the year.

### Communication to Shareholders

Quarterly, half-yearly and annual financial results have been published in numerous leading dailies, such as Economic Times (English) & Economic Times (Hindi), The Financial Express (English), Jansatta (Hindi) and other magazines related capital markets along with the official press releases.

### Report on Corporate Governance

This chapter, read together with the information given in the chapters on Management Discussion & Analysis and Additional Shareholders Information, constitute the compliance report on Corporate Governance.

### Auditors' Certificate on Corporate Governance

The Company has obtained the certificate from its Statutory Auditors regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement. This certificate is attached with the Directors' Report and will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

### GENERAL SHAREHOLDERS INFORMATION

#### Annual General Meeting

- |   |   |
|---|---|
| <b>i) Date, Time and Venue</b>              | : Tuesday, September 25, 2012<br>4.30 P. M. M. P. C. U. Shah Auditorium, Civil Lines,<br>Delhi – 110 054  |
| <b>ii) Financial Year</b>                   | : April 01, 2011 to March 31, 2012  |
| <b>iii) Financial Calendar 2012-13</b>      |   |
| Un-audited first quarter financial results  | Second week of August, 2012   |
| Un-audited second quarter financial results | Second week of November, 2012   |
| Un-audited third quarter Financial results  | Second week of February, 2013   |
| Audited annual results                      | Last week of May, 2013  |
| Annual General Meeting                      | August, 2013  |
| <b>iv) Dividend</b>                         | : The Board of Directors have proposed a dividend of ₹2.50/- (25%) per equity share for the financial year 2011-12, subject to approval by the shareholders in the ensuing Annual General Meeting.                          |
| <b>v) Date of Book Closure</b>              | : September 19, 2012 to September 25, 2012 (Both days inclusive)  |
| <b>vi) Payment of Dividend</b>              | : Dividend will be paid within 30 days from the date of declaration through account payee/non-negotiable instruments or through the electronic clearing service (ECS), as notified by the SEBI through the Stock Exchanges. |

**Vii) Listing of Equity Shares on Stock Exchanges and payment of Listing Fee**

**Bombay Stock Exchange Ltd. (BSE)**

P.J. Towers, Dalal Street, Mumbai – 400 001

**The National Stock Exchange of India Ltd. (NSE)**

“Exchange Plaza”

Bandra Kurla Complex, Bandra(E), Mumbai – 400 051

Annual listing fee for the year 2012-13, has been paid by the Company to BSE and NSE.

Annual custodian charges of Depository have also been paid to NSDL and CDSL.

**viii) Stock Code**

: 532851–Bombay Stock Exchange Ltd.  
INSECTICID– The National Stock Exchange of India Ltd.

**ix) ISIN No.**

: INE 070I01018

**x) Registrar and Share Transfer Agent**

Alankit Assignments Limited  
(Unit: Insecticides (India) Limited)  
Alankit House  
2E/21, Jhandewalan Extension,  
New Delhi – 110 055  
Tel No. (011) 4254 1234/234 1234  
Fax No. (011) 4254 1967  
Email: rta@alankit.com

**xi) Share Transfer System**

Shares lodged for transfer at the Registrar’s address are normally processed and approved by Investors Grievance/Transfer Committee as and when required.

**xii) Dematerialisation and Re-materialisation of shares**

During the year under review, 103 shares were re-mataterialised.

**xiii) Share held in Physical and Electronic mode as on March 31, 2012**

Particulars	No. of Shares	% to Total Shareholding
<b>Physical</b>	<b>556</b>	<b>0.01</b>
<b>Demat:</b>		
NSDL	11782543	92.89
CDSL	899867	07.10
Sub-Total	12682509	99.99
<b>Total</b>	<b>12682966</b>	<b>100.00</b>

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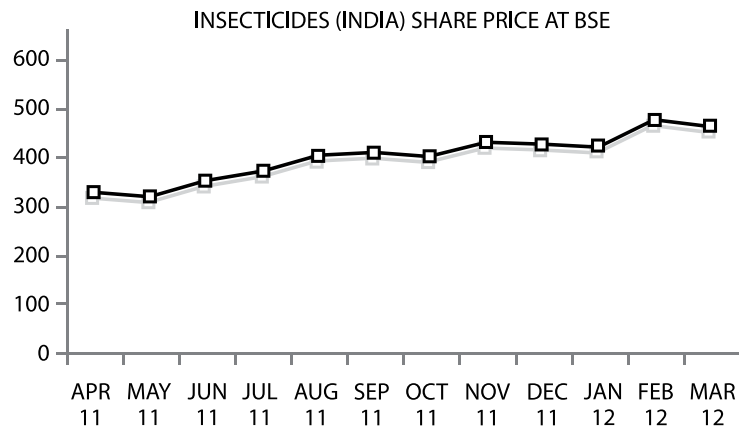


xiv) Stock Market Data & Share Price Performance in comparison to Board Based Indics

The Company (IIL) vs BSE & NSE

Month	BSE		NSE	
2011	High	Low	High	Low
April	327.70	259.80	328.00	288.05
May	322.00	281.60	320.00	277.35
June	352.15	284.20	352.20	294.20
July	375.85	305.25	376.00	325.45
August	404.06	339.00	405.20	340.00
September	406.10	351.10	407.00	350.55
October	402.00	358.50	404.20	358.00
November	431.00	311.25	431.90	338.00
December	426.90	385.00	429.00	390.00
2012				
January	419.80	393.00	421.00	390.00
February	476.80	368.00	476.95	373.00
March	461.60	405.05	431.00	391.00

(Source: BSE & NSE website)

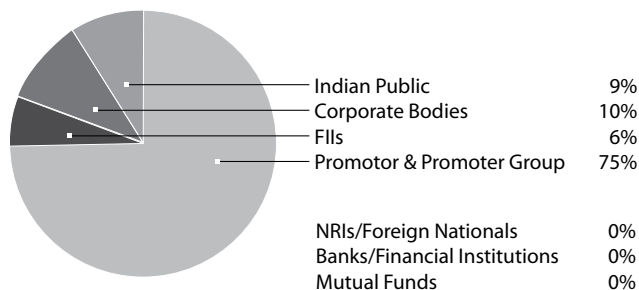


xv) Distribution of Shareholdings

Share Ownership Pattern as on March 31, 2012

Category	No. of Shares Held	% of Shareholding
Promoter and Promoter Group	9472700	74.69
Mutual Funds	Nil	Nil
Banks / Financial Institutions	Nil	Nil
FII's	750336	5.92
NRIs / Foreign Nationals	17647	0.14
Corporate Bodies	1304824	10.29
Indian Public	1137459	8.96
<b>TOTAL</b>	<b>12682966</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2012



### Promoters Shareholding as on March 31, 2012

Name of Shareholder	No. of Shares Held	% to Total Shareholding
Mr. Rajesh Aggarwal	3528600	27.82
Ms. Pushpa Aggarwal	1434600	11.31
Rajesh Aggarwal (HUF)	1302000	10.27
Hari Chand Aggarwal (HUF)	996000	7.85
Ms. Nikunj Aggarwal	750000	5.91
Mr. Hari Chand Aggarwal	615600	4.85
Master Sanskar Aggarwal	601200	4.74
Isec Organics Limited	169700	1.34
Ms. Kritika Aggarwal	75000	0.59

### Top 10 (Ten) Public Shareholding as on March 31, 2012

Name of Shareholder	No. of Shares Held	% to Total Shareholding
Acacia Partners, LP	349730	2.70
Zealous Financial Services Private Limited	190178	1.50
Acacia Institutional Partners, LP	157114	1.24
Acacia Conservation Fund, LP	133000	1.05
Kinetic Capital Services Limited	100000	0.79
Competent Finman Private Limite	97106	0.77
Zealous Financial Services Private Limited	71000	0.56
SMC Global Securities Limited	63036	0.50
Gajendrakumar Sobhagmal Patni	60000	0.47
Ashokkumar Sobhagmal Patni	60000	0.47

LETHAL  
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 NUVAN  
 SUPER STAR  
 PHENTOM  
 AVON PLUS  
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 VICTOR SUPER  
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 FLITE 71  
 ARROW

### Shareholding Pattern by Size

Category (No. of Shares)	Holders	Shares Held	% age
1 – 100	4085	141962	1.12
101 – 500	1100	279114	2.20
501 – 1000	180	135853	1.07
1001 – 5000	99	226342	1.79
5001 – 10000	15	102917	0.81
10001 – 20000	18	258775	2.04
20001 – 30000	10	237800	1.87
30001 – 40000	2	66527	0.52
40001 – 50000	6	276306	2.18
50001 – 100000	11	736648	5.81
100001 – 500000	5	992722	7.83
500001 – Above	7	9228000	72.76
<b>Total</b>	<b>5538</b>	<b>12682966</b>	<b>100.00</b>

### xiii) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity

The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

### xiv) Reconciliation of Share Capital Audit

M/s Ajay K Goyal & Co. Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI and report on the reconciliation of total issued and listed capital with that of total share capital admitted/ held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed.

### xv) Compliance Audit

During the year under review, the Company has conducted the compliance audit on every quarter basis by a law firm M/s Corporate Professionals Private Limited.

### xv) Plant Locations

Presently, your company is a manufacturing unit and having Five Plants located at the following places:

1. E – 442, Industrial Area Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
2. E – 443-444, Industrial Area Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
3. SIDCO Industrial Growth Centre, Samba – 184 121 (J&K)
4. II D, Centre Battal Ballian, Udhampur – 182 101 (J&K)
5. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch – 392 130 (Gujarat)

### xvi) Address for Correspondence

Investors and Shareholders can correspond with the registered office of the Company at the following address:

#### The Company Secretary & Compliance Officer

Insecticides (India) Limited

401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110 033

Tel No. (011) 2767 1990 – 04, Telefax No. (011) 2767 1990 – 04

Email – investor@insecticidesindia.com



## Declaration by Chief Executive Officer (CEO)

I, Rajesh Aggarwal, Managing Director & CEO of Insecticides (India) Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2012 compliance with the Code of Conduct of the Company laid down for them.

Place: Delhi  
Dated: August 29, 2012

(Rajesh Aggarwal)  
Managing Director & CEO

## CERTIFICATE

TO THE MEMBERS OF  
**Insecticides (India) Limited**  
401 – 402, Lusa Tower,  
Azadpur Commercial Complex,  
Delhi – 110 033

We have examined the compliance of conditions of Corporate Governance by Insecticides (India) Limited, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause, 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 and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither as 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 **Mohit Parekh & Co.**  
Chartered Accountants

**Mohit A Parekh**  
Partner  
M. No. – 81069  
Firm Regn. No.002067N

Place: Delhi  
Dated: August 29, 2012

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# AUDITOR'S REPORT

To,  
The Members of INSECTICIDES (INDIA) LIMITED

We have audited the attached Balance Sheet of INSECTICIDES (INDIA) LIMITED as at March 31, 2012 and also the Statement of Profit and Loss for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as 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 accounts ;
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with accounting standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956 ;
  - e) On the basis of written representations received from the directors of the company, as on March 31, 2012 and taken on records by the Board of Directors, we report that none of the directors of the company are disqualified as on March 31, 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and explanations given to us, the said accounts read together with Significant Accounting Policies and Notes to Accounts give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In so far as relates to the Balance sheet, of the state of affairs of the Company as at March 31, 2012;
    - ii) In so far as relates to the Statement of Profit and Loss, of the **PROFIT** for the year ended March 31, 2012; and
    - iii) In so far as relates to the Cash Flow Statement, of the **CASH FLOWS** for the year ended March 31, 2012.

For **MOHIT PAREKH & CO.**  
CHARTERED ACCOUNTANTS

**(MOHIT A. PAREKH)**

Proprietor

M.No.- 081069

Firm Regn. No. – 002067N

Place : Delhi

Dated : May 26, 2012

**ANNEXURE TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF INSECTICIDES (INDIA) LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2012.**

**1. In respect of its Fixed Assets**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the Fixed Assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.

**2. In respect of its Inventories**

- a. As explained to us, the inventories have been physically verified by the management at regular intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. a. The Company has obtained unsecured loans from the Companies, Firm(s), or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions on which loans have been taken are prima facie not prejudicial to the interest of the Company. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- b. The Company has not granted any loans secured or unsecured to the Companies, Firm (s) or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, no major weaknesses have been noticed in internal controls system.

**5. In respect of transactions covered under Section 301 of the Companies Act, 1956**

- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ Five Lacs in respect of any party during the year have been made at prices which appear reasonable as per the information available with the Company.

6. The Company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and Section 58AA of the Companies Act, 1956. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.

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7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, coverage of internal audit function carried out by a firm of chartered accountants appointed by the management as well as company's internal audit department is commensurate with the size of the company and nature of its business. .

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

**9. In respect of Statutory Dues**

- a. According to the records of the Company apart from certain instances of delay in depositing the undisputed statutory dues, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, the Investor Education & Protection Fund is not applicable to the Company during the year under consideration.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable.
- c. According to the records of the Company, the disputed statutory dues aggregating to ₹252.73 Lacs that have not been deposited on account of disputed matter pending before Appropriate Authorities are as under:

S. No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where Dispute is Pending	Amount (₹ in Lacs)
1.	Central Excise Act, 1944	Excise Duty	Mar'02 to Oct'02	Appellate Tribunal-New Delhi	75.67
2.	Central Excise Act, 1944	Excise Duty	Sep'04 to Aug'07	Appellate Tribunal-New Delhi	161.72
3.	Sales Tax Act	Sales Tax	2011-12	Asansol (W.B.)	5.70
4.	Sales Tax Act	Sales Tax	2011-12	Ghaziabad (U.P.)	9.64

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions or Banks.

12. In our opinion and according to the explanations given to us and based on the information available, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a Chit fund or a Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments during the year.

15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions.

16. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the company were prima facie applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for Long Term Investment and similarly no funds raised on Long Term basis that have been used to finance Short Term Assets except core working capital.
18. During the year, the Company has not made any preferential allotment of shares to parties, firms and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during the year.
20. The Company has not raised money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **MOHIT PAREKH & CO.**  
CHARTERED ACCOUNTANTS

**(MOHIT A. PAREKH)**

Proprietor

M.No.- 081069

Firm Regn. No. – 002067N

Place : Delhi

Dated : May 26, 2012

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# BALANCE SHEET AS AT MARCH 31, 2012

(₹ In Lacs)

PARTICULARS	NOTES	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b><u>Shareholder's Funds</u></b>			
(a) Share Capital	3	1268.30	1268.30
(b) Reserves & Surplus	4	16948.41	14206.31
		<b>18216.71</b>	<b>15474.61</b>
<b><u>Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	5	3825.01	92.60
(b) Deferred Tax Liabilities (Net)		289.81	204.92
(c) Other Long-Term Liabilities	6	222.72	202.95
(d) Long-Term Provisions	7	68.49	27.74
		<b>4406.03</b>	<b>528.21</b>
<b><u>Current Liabilities</u></b>			
(a) Short-Term Borrowings	8	11515.05	3333.95
(b) Trade Payables	9	11846.10	9943.71
(c) Other Current Liabilities	10	3398.98	3352.91
(d) Short-Term Provisions	11	2646.71	1713.95
		<b>29406.84</b>	<b>18344.52</b>
<b>TOTAL</b>		<b>52029.58</b>	<b>34347.34</b>
<b>B ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
(a) Fixed Assets	12		
(i) Tangible Assets		4871.62	3021.82
(ii) Intangible Assets		254.12	119.84
(iii) Capital Work-in-Progress		9196.70	5921.16
		<b>14322.44</b>	<b>9062.82</b>
(b) Long-Term Loans and Advances	13	2550.64	1614.63
(c) Other Non-Current Assets	14	305.36	349.18
		<b>17178.44</b>	<b>11026.63</b>
<b><u>Current Assets</u></b>			
(a) Inventories	15	20241.67	12577.16
(b) Trade Receivables	16	8921.43	8061.83
(c) Cash and Cash Equivalents	17	1775.08	374.48
(d) Short-Term Loans and Advances	18	2763.28	1453.68
(e) Other Current Assets	19	1149.68	853.56
		<b>34851.14</b>	<b>23320.71</b>
<b>TOTAL</b>		<b>52029.58</b>	<b>34347.34</b>
<b>Significant Accounting Policies</b>	1 to 2		
<b>Notes on Financial Statements</b>	3 to 50		

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

FOR AND ON BEHALF OF THE BOARD

## Auditor's Report

As per our separate report of even date annexed herewith  
For **MOHIT PAREKH & CO.**  
CHARTERED ACCOUNTANTS

## (MOHIT A PAREKH)

Proprietor  
M.No.- 081069  
Firm Regn. No. - 002067N

Place : Delhi  
Date : May 26, 2012

**HARI CHAND AGGARWAL**  
CHAIRMAN

**SANJEEV BANSAL**  
WHOLE TIME DIRECTOR

**SANDEEP AGGARWAL**  
CHIEF FINANCIAL OFFICER

**RAJESH AGGARWAL**  
MANAGING DIRECTOR

**PANKAJ GUPTA**  
COMPANY SECRETARY

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2012

(₹ In Lacs)

PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31, 2012	FOR THE YEAR ENDED MARCH 31, 2011
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Revenue from Operations (Gross)	20	55408.23	47790.21
Less: Excise Duty		3232.64	2780.46
Revenue from Operations (Net)		52175.59	45009.75
Other Income	21	8.51	14.71
<b>Total Revenue</b>		<b>52184.10</b>	<b>45024.46</b>
<b>EXPENSES</b>			
Cost of Raw Material and Components Consumed	22	37532.38	30537.97
Purchase of Traded Goods	23	2939.53	1926.76
(Increase)/ Decrease in Inventories of Finished Goods, work-in-Progress and Traded Goods	24	(4669.48)	(1641.97)
Employee Benefits Expenses	25	1729.68	1306.62
Depreciation and Amortization Expenses	26	235.66	152.96
Finance Costs	27	1114.43	98.80
Other Expenses	28	9007.21	8517.21
<b>Total Expenses</b>		<b>47889.41</b>	<b>40898.35</b>
<b>Profit Before Tax</b>		<b>4294.69</b>	<b>4126.11</b>
<b>Tax Expenses</b>			
Current Tax		908.28	867.69
Deferred Tax		84.89	36.81
<b>Total Tax Expenses</b>		<b>993.17</b>	<b>904.50</b>
<b>Profit for the year</b>		<b>3301.52</b>	<b>3221.61</b>
<b>Earnings per Equity Share of face value ₹10 each</b>			
Basic & Diluted (in ₹)		26.03	25.40
<b>Significant Accounting Policies</b>	1 to 2		
<b>Notes on Financial Statements</b>	3 to 50		

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

FOR AND ON BEHALF OF THE BOARD

## Auditor's Report

As per our separate report of even date annexed herewith

For **MOHIT PAREKH & CO.**  
CHARTERED ACCOUNTANTS

**(MOHIT A PAREKH)**  
Proprietor  
M.No.- 081069  
Firm Regn. No. - 002067N

**HARI CHAND AGGARWAL**  
CHAIRMAN

**SANJEEV BANSAL**  
WHOLE TIME DIRECTOR

**SANDEEP AGGARWAL**  
CHIEF FINANCIAL OFFICER

**RAJESH AGGARWAL**  
MANAGING DIRECTOR

**PANKAJ GUPTA**  
COMPANY SECRETARY

Place : Delhi  
Date : May 26, 2012

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# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ In Lacs)

PARTICULARS		FOR THE YEAR 2011-12	FOR THE YEAR 2010-11
<b>(A) Cash Flow From Operating Activities</b>			
<b>Net Profit Before Tax</b>		4294.69	4126.11
<b>Adjustment for</b>			
- Depreciation & Amortisation		235.66	152.96
- (Profit)/ Loss on Sale of Assets		13.79	11.32
- Preliminary Expenses Written Off		13.88	12.60
- Interest/ Other Income		(8.51)	(14.71)
- Interest Expenses		1114.43	98.80
<b>Operating Profit Before Working Capital Changes</b>		<b>5663.94</b>	<b>4387.08</b>
<b>Adjustments for</b>			
- (Increase)/Decrease in Trade Receivables		(859.60)	(1721.24)
- (Increase)/Decrease in Inventories		(7664.51)	(768.81)
- (Increase)/Decrease in Other Receivables			
(a) Short Term Loans & Advances	(1309.60)		
(b) Long Term Loans & Advances	(103.61)		
(c) Other Current Assets	(293.78)	(1706.99)	195.57
- Increase/(Decrease) in Trade Payables		1902.39	2235.50
- Increase/(Decrease) in Other Payables			
(a) Long Term Liabilities	19.77		
(b) Other Current Liabilities	(90.91)		
(c) Provision for Expenses	10.21	(60.93)	454.67
		(2725.70)	4782.77
Less: Income Tax/ Wealth Tax		(833.50)	(1041.63)
Less: Preliminary Expenses Incurred		(31.89)	-
<b>Net Cash From Operating Activities (A)</b>		<b>(3591.09)</b>	<b>3741.14</b>
<b>(B) Cash Flow From Investing Activities</b>			
- Addition to Fixed Assets		(5564.14)	(5988.16)
- Sale of Fixed Assets		55.07	20.07
- Interest /Other Income		8.51	14.71
- (Addition) Disposal/Sales of Investments		-	499.62
<b>Net Cash From Investing Activities (B)</b>		<b>(5500.56)</b>	<b>(5453.76)</b>

		(₹ In Lacs)	
PARTICULARS		FOR THE YEAR 2011-12	FOR THE YEAR 2010-11
<b>(C) Cash Flow From Financing Activities</b>			
- Proceeds from borrowing/loans		11975.19	1614.46
- Interest paid		(1114.43)	(98.80)
- Dividend Paid		(317.07)	(253.66)
- Distribution Tax Paid		(51.44)	(42.13)
<b>Net Cash From Finance Activities (C)</b>		<b>10492.25</b>	<b>1219.87</b>
<b>Net Cash Flow during the year (A+B+C)</b>		<b>1400.60</b>	<b>(492.75)</b>
Cash and Cash equivalents Opening Balance		374.48	867.23
<b>Cash and Cash equivalents Closing Balance</b>		<b>1775.08</b>	<b>374.48</b>

**NOTES:-**

1. The Cash Flow Statement has been prepared under the "Indirect method" as set out in the accounting standard 3 "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
2. Previous year's figures have been re-classified to confirm with current year's presentation, wherever considered necessary.

FOR AND ON BEHALF OF THE BOARD

**Auditor's Report**

As per our separate report of even date annexed herewith

For **MOHIT PAREKH & CO.**  
CHARTERED ACCOUNTANTS

**(MOHIT A PAREKH)**

Proprietor  
M.No.- 081069  
Firm Regn. No. - 002067N

Place : Delhi  
Date : May 26, 2012

**HARI CHAND AGGARWAL**  
CHAIRMAN

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WHOLE TIME DIRECTOR

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# SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON MARCH 31, 2012

## 1. CORPORATE INFORMATION

Insecticides (India) Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two Stock Exchanges (i.e. Bombay Stock Exchange Limited and National Stock Exchange Limited) in India. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both domestic and international markets.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### A. ACCOUNTING CONVENTION

Accounts are prepared on the basis of historical cost convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles, followed by the Company. The Financial Statements have been prepared in accordance with the relevant presentational requirement of the Companies Act 1956. A summary of important accounting policies which have been applied consistently are set out below.

### B. USE OF ESTIMATES

The preparation of financial statements requires certain assumptions and estimates to be made that affect the reported amount of Assets & Liabilities on the date of Financial Statements and the reported amount of Expenses and Income during the reporting period. Difference between the estimates and actual results are recognized in the period in which the results are materialized.

### C. TANGIBLE FIXED ASSETS

Fixed Assets are stated at cost of acquisition net of recoverable taxes and includes all attributable cost for bringing the assets to its working condition for its intended use less accumulated depreciation. All costs, including financial costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

### D. INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financial costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

### E. DEPRECIATION & AMORTISATION

Depreciation on Fixed Assets has been provided on Straight Line Method over their useful life as per the classification, rates and manner prescribed in Schedule XIV of the Companies Act, 1956 as amended up to date. Depreciation on assets acquired/disposed off during the year has been provided on pro-rata basis with reference to the date of use/addition/disposal. Intangible Assets are amortized on Straight Line Method over their useful life

### F. INVESTMENTS

Current Investments, if any, are stated at lower of cost or fair value determined on individual investment basis. Long Term Investments, if any, are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary.

### G. PURCHASES

Purchases are net of rebate/special discounts, excise duty, goods returned etc.

### H. REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sales of goods: Sale are recognized when substantial risks and rewards of ownership in the goods transferred to the buyer, usually on delivery of the goods. Turnover includes sales of goods & excise duty (net of sales returns, sales tax/ value added tax)

Other Income: Interest income is recognized on time proportion basis taking in to account the amount outstanding and the rate applicable.

#### **I. FOREIGN CURRENCY TRANSACTIONS**

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currency at the year end are restated at the year end rate. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized as exchange rate difference and the premium paid on forward contracts is recognized over the life of the contract.
- c. Non monetary foreign currency items are carried at cost.
- d. Any Gain or Loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

#### **J. RETIREMENT BENEFITS**

- a) Contribution to provident fund and family pension fund are accounted for on accrual basis.
- b) Leave Encashment Benefits are accounted for on cash basis.
- c) The Company has Gratuity Fund covered by the scheme with LIC of India. The expenses towards gratuity are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.

#### **K. IMPAIRMENT OF ASSETS**

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period(s), if any, is reversed if there has been a change in the estimate of the recoverable amount.

#### **L. EXCISE DUTY**

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in branches/factories.

#### **M. INVENTORIES:** Inventories are valued as under

(a)	FINISHED GOODS (Manufactured Goods)	Cost of Production or Net Realizable Value whichever is lower
(b)	RAW MATERIAL & CONSUMABLE GOODS	At cost or market price, whichever is lower (On Weighted Average Basis)
(c)	OTHER INVENTORIES	Packing material etc. are valued at cost (On Weighted Average Basis)
(d)	SEMI FINISHED GOODS	At Weighted Average Cost
(e)	TRADED GOODS	At Cost (On Weighted Average Basis)
(f)	STORES & SPARES AND FUEL	At Cost (On Weighted Average Basis)

Notes: The Valuation of stocks are in accordance with Section 145A of the Income Tax Act, 1961.

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VICTOR SUPER  
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#### **N. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

#### **O. PROPOSED DIVIDEND**

Dividend proposed by the Board of Directors is provided for in the books of account pending approval at the Annual General Meeting.

#### **P. RESEARCH & DEVELOPMENT**

The expenditure on Research & Development is recognized as an expense in the Statement of Profit & Loss on an accrual basis. The fixed assets acquired for carrying out the research & development activities are capitalized and depreciation thereon is recognized as an expense in the Statement of Profit & Loss.

#### **Q. PROVISION FOR CURRENT & DEFERRED TAX**

Provision for income tax is made after availing exemptions & deductions at the rate(s) applicable under the Income Tax Act, 1961 for the year under consideration.

Provision for Wealth Tax is made after availing exemptions & deductions at the rate(s) applicable under the Wealth Tax Act, 1957 for the year under consideration.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future.

#### **R. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS**

In respect of derivatives contracts, premium paid, gain/loss on settlement and losses on restatement are recognized in the Statement of Profit & Loss except in case they relates to the acquisition or construction of fixed assets, they are adjusted to the carrying cost of such assets.

**S.** Claims by or against the Company are accounted when acknowledged/ accepted/ settled/ received.

**T.** Interest on Late Payments by the Customers & to the Suppliers and differential interest to the Bankers are accounted for on acceptance basis.

**U.** The bonus is accounted for on accrual basis.

**V.** The Company has already initiated the process and entitled for subsidy on account of certain revenue and capital nature of expenditures incurred at Samba & Udhampur Unit (Jammu & Kashmir) in earlier years as well as during the year. The same shall be accounted for on cash/acceptance basis as under:

Subsidy of capital nature and related to specific Fixed Asset shall be deducted from the gross value of assets.

Subsidy related to revenue shall be recognized in the Statement of Profit & Loss to match them with related costs.

#### **W. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2012

## 3. SHARE CAPITAL

PARTICULARS	(₹ In Lacs)	
	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>Authorised Shares Capital</b>		
15000000 ( Previous Year 15000000)	1500.00	1500.00
Equity Shares of ₹10/- Each		
<b>Issued, Subscribed &amp; Paid-Up Shares Capital</b>		
12682966 (Previous Year 12682966) Equity	1268.30	1268.30
Shares of ₹10/- each fully paid up.		
<b>TOTAL</b>	<b>1268.30</b>	<b>1268.30</b>

### 3(a) Reconciliation of the Shares outstanding is set out below

PARTICULARS	AS AT MARCH 31, 2012		AS AT MARCH 31, 2011	
	Number of Shares	(In Lacs)	Number of Shares	(In Lacs)
Equity Shares at the beginning of the year	12682966	1268.30	12682966	1268.30
Shares Issued during the year	-	-	-	-
Equity Shares at the end of the year	12682966	1268.30	12682966	1268.30

### 3(b) Rights, Preferences and Restrictions attached to Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

During the financial year ended on March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹2.50 (Previous Year ₹2.50)

### 3(c) The details of Shareholders holding more than 5% shares

NAME OF THE SHAREHOLDER	AS AT MARCH 31, 2012		AS AT MARCH 31, 2011	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	3528600	27.82	3528600	27.82
Pushpa Aggarwal	1434600	11.31	1434600	11.31
Rajesh Aggarwal (HUF)	1302000	10.27	1302000	10.27
Hari Chand Aggarwal (HUF)	996000	7.85	996000	7.85
Nikunj Aggarwal	750000	5.91	750000	5.91
Ruanne, Cuniff & Goldfarb Inc A/c	697844	5.50	697844	5.50

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ARROW

#### 4. RESERVES AND SURPLUS

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>A. Securities Premium Account</b>	3518.15	3518.15
<b>B. General Reserve</b>		
As per last Balance Sheet	861.98	539.82
Add: Transferred from surplus in Statement of Profit and Loss	330.15	322.16
	<b>1192.13</b>	<b>861.98</b>
<b>C. Surplus in Statement of Profit and Loss</b>		
As per last Balance Sheet	9826.18	7295.24
Add: Profit for the year	3301.52	3221.61
Less: Appropriations		
Proposed Dividend on Equity Shares	317.07	317.07
[Dividend per Share ₹2.50 (Previous Year ₹2.50)]		
Tax on Proposed Dividend	51.44	51.44
Transfer to General Reserve	330.15	322.16
	<b>12429.04</b>	<b>9826.18</b>
<b>D. Foreign Currency Translation Reserve</b>	(190.91)	-
<b>TOTAL (A+B+C+D)</b>	<b>16948.41</b>	<b>14206.31</b>

#### 5. LONG TERM BORROWINGS

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012		AS AT MARCH 31, 2011	
	Non-Current	Current	Non-Current	Current
<b>SECURED :</b>				
<b>Term Loans :</b>				
Vehicle Loans from Banks	68.37	105.34	55.10	77.67
Term Loan from Banks	-	37.50	37.50	300.00
Foreign Currency Loans from Banks	3731.64	371.81	-	-
	<b>3800.01</b>	<b>514.65</b>	<b>92.60</b>	<b>377.67</b>
<b>UNSECURED :</b>				
Loans from Related Parties	25.00	-	-	-
<b>TOTAL</b>	<b>3825.01</b>	<b>514.65</b>	<b>92.60</b>	<b>377.67</b>

##### (a) Nature of Security and terms of repayment for secured borrowing

- Term Loans from banks for vehicles have been secured by hypothecation of vehicles. Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 12 to 14% per annum.
- Term Loan from banks have been secured by exclusive charge over Plant and Machineries situated at Dahej Plant (Gujarat). Further, term loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The loan are repayable in 8 quarterly installments starting from September 30, 2010 along with interest rates approx at 12% per annum.
- The Foreign Currency Loan amounting to ₹1533.72 Lacs (Previous Year -Nil) has been secured by the first charge over Plant and Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant

(Gujarat). Further, the loan has been guaranteed by the personal guarantee of the directors - Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The loan is repayable in 16 quarterly installments starting from November 02, 2012. The interest is to paid on quarterly basis at Libor plus 2.5%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

- (iv) The Foreign Currency Loan amounting to ₹2569.73 Lacs (Previous Year -Nil) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujarat). Further, the loan has been guaranteed by the personal guarantee of the directors - Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The loan is repayable in 16 quarterly installments starting from March 29, 2013. The interest is to paid on quarterly basis at Libor plus 3.5%. Further, the Company has entered into the derivative contract for hedging of interest rate swaps.

**(b) Terms of repayment for unsecured borrowing**

The loan from related parties is repayable after 24 months from the date of loan and interest is payable on yearly basis at 12% per annum.

**6. OTHER LONG TERM LIABILITIES**

(₹ In Lacs)		
PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
Trade/ Security Deposits received from Customers	182.72	162.95
National Research Development Corporation (TDDP)	40.00	40.00
<b>TOTAL</b>	<b>222.72</b>	<b>202.95</b>

**7. LONG TERM PROVISIONS**

(₹ In Lacs)		
PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
(a) Provision for Employee Benefits		
(i) Provision for Gratuity	12.37	27.74
(b) Provision for Foreign Exchange Loss (M to M)	56.12	-
<b>TOTAL</b>	<b>68.49</b>	<b>27.74</b>

**8. SHORT TERM BORROWINGS**

(₹ In Lacs)		
PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>SECURED</b>		
(a) Demand Loan from Banks	500.00	-
(b) Cash Credit from Banks	7459.59	2624.43
(c) Foreign Currency Loans-Buyers Credit	3555.46	709.52
<b>TOTAL</b>	<b>11515.05</b>	<b>3333.95</b>

Working Capital Loans (Demand Loan, Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over present and future stock & book debts and moveable fixed assets of the Company. These Loans are additionally secured by equitable mortgage on pari passu basis over Lands & Buildings situated at Chopanki Unit (Rajasthan), Samba Unit (J&K), Udhampur Unit (J&K) and residential property in the name of director at Pitampura(Delhi) and negative lien on Company's office at Azadpur (Delhi). Further, these loans have been guaranteed by the personal guarantee of the directors -Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

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**9. TRADE PAYABLE**

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
Trade Payables (including acceptances) (Refer Note No. 47)	11846.10	9943.71
<b>TOTAL</b>	<b>11846.10</b>	<b>9943.71</b>

**10. OTHER CURRENT LIABILITIES**

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
Current Maturities of Long-term Borrowings (Refer Note No. 5)	514.65	377.67
Unpaid Dividend	2.74	2.37
Other Payables		
(i) Statutory Dues (Contributions to PF and ESIC, Professional Tax, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	155.04	129.20
(ii) Advances from Customers	1429.21	918.76
(iii) Interest Recoverable (Pending for Adjudication)	7.53	5.77
(iv) Cheques sent for Collection	45.20	60.86
(v) Debtors having Credit Balance	715.23	1378.64
(vi) Creditors for Capital Expenditure	209.43	232.17
(vi) Expenses Payable	319.95	247.47
<b>TOTAL</b>	<b>3398.98</b>	<b>3352.91</b>

**11. SHORT TERM PROVISIONS**

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
(a) Provision for Employee Benefits		
(i) Provision for Bonus	75.77	50.19
(b) Provision - Others		
(i) Provision for Income Tax	2201.03	1294.00
(ii) Provision for Wealth Tax	1.40	1.25
(iii) Proposed Dividend	317.07	317.07
(iv) Tax on Proposed Dividend	51.44	51.44
<b>TOTAL</b>	<b>2646.71</b>	<b>1713.95</b>

## 12. FIXED ASSETS

(₹ In Lacs)

Description of Assets	GROSS BLOCK			DEPRECIATION/ AMORTIZATION			NET BLOCK	
	As at	Additions	Sales/ Adjustments	As at	As at	Upto	As at	As at
	Apr. 01, 2011			Mar. 31, 2012	Apr. 01, 2011	Mar. 31, 2012	Mar. 31, 2012	Mar. 31, 2011
<b>(I) TANGIBLE ASSETS</b>								
<b>OWNED ASSETS</b>								
Freehold Land	614.81	-	-	614.81	-	-	614.81	614.81
Leasehold Land	395.82	3.05	-	398.87	-	-	398.87	395.82
Buildings	73.07	-	-	73.07	4.89	6.08	66.99	68.18
Factory Buildings	614.91	1155.33	-	1770.24	97.18	151.81	1618.43	517.73
Plant & Machinery	968.41	523.13	29.21	1462.33	184.28	246.72	1215.61	784.13
Electrical Installations	83.58	37.73	-	121.31	19.10	5.62	96.59	64.48
Factory Equipments	0.53	17.15	-	17.68	0.03	0.49	17.19	0.50
Laboratory Equipments	79.10	130.77	-	209.87	11.99	8.03	189.85	67.11
Pollution Control Equipments	55.90	4.63	-	60.53	11.44	2.82	46.27	44.46
Generator	13.72	10.11	-	23.83	3.11	1.11	19.61	10.61
Telephone & Mobiles	6.16	0.94	0.27	6.83	0.85	0.31	5.73	5.31
Furniture & Fixtures	47.09	6.74	-	53.83	13.17	3.21	37.45	33.92
Electrical Fittings	-	18.71	-	18.71	-	0.78	17.93	-
Office Equipments	58.76	9.89	2.02	66.63	12.16	3.10	52.04	46.60
Computers & Accessories	83.01	24.11	0.51	106.61	37.81	14.76	54.52	45.20
Vehicles	405.85	183.02	66.80	522.07	82.89	45.15	419.73	322.96
<b>SUB TOTAL (A)</b>	<b>3500.72</b>	<b>2125.31</b>	<b>98.81</b>	<b>5527.22</b>	<b>478.90</b>	<b>206.65</b>	<b>4871.62</b>	<b>3021.82</b>
<b>(II) INTANGIBLE ASSETS</b>								
Software	124.35	2.04	-	126.39	20.16	20.18	86.05	104.19
Website	0.77	-	-	0.77	0.19	0.04	0.54	0.58
Patents, Trade Marks & Designs	23.80	161.25	-	185.05	8.73	8.79	167.53	15.07
<b>SUB TOTAL (B)</b>	<b>148.92</b>	<b>163.29</b>	<b>-</b>	<b>312.21</b>	<b>29.08</b>	<b>29.01</b>	<b>254.12</b>	<b>119.84</b>
<b>Total (A+B)</b>	<b>3649.64</b>	<b>2288.60</b>	<b>98.81</b>	<b>5839.43</b>	<b>507.98</b>	<b>235.66</b>	<b>5125.74</b>	<b>3141.66</b>
Previous Year Figures	2921.68	775.41	47.45	3649.64	371.08	152.96	3141.66	5921.16
<b>(III) Capital Work in Progress</b>							<b>9196.70</b>	

### Capitalized Borrowing Costs

The Borrowing Cost has duly been capitalised during the year. A sum of ₹ 523.24 Lacs (Previous Year ₹ 154.41 Lacs) has been capitalized on account of borrowing cost during the year .  
The detail thereof is as under :

PARTICULARS	31.03.2012	31.03.2011
Amount of interest trsd. From CWIP and Capitalised in respective Assets	59.50	-
Amount of interest Capitalised under the Captioned Head - CWIP	523.24	154.41
Balance Amount included under the captioned head CWIP at the year end	618.14	154.41

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**13. LONG TERM LOANS & ADVANCES**

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>Secured and Considered Good</b>		
Security Deposit	47.48	41.59
<b>Unsecured and Considered Good</b>		
Advance Income-Tax	2219.55	1387.15
Balance with Central Excise, VAT Authorities, etc.	283.61	185.89
<b>TOTAL</b>	<b>2550.64</b>	<b>1614.63</b>

**14. OTHER NON CURRENT ASSETS**

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>Unamortised Expenses</b>		
Share Issue Expenses etc.	364.85	349.18
Unamortised (Gain)/Loss on Foreign Currency	(59.49)	-
<b>TOTAL</b>	<b>305.36</b>	<b>349.18</b>

**15. INVENTORIES**

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
(As taken, valued & certified by the Management)		
(a) Raw Materials	6050.44	3575.31
(b) Raw Material-in-Transit	36.33	-
(c) Semi - Finished Goods	1548.55	1303.48
(d) Finished Goods (Manufactured)	10152.60	6015.29
(e) Stock-in-Trade (Traded Goods)	1177.62	890.52
(f) Packing Materials	1266.80	789.21
(g) Packing Materials -in-Transit	2.77	-
(h) Stores, Spares Parts & Fuel	6.56	3.35
<b>TOTAL</b>	<b>20241.67</b>	<b>12577.16</b>

**16. TRADE RECEIVABLE**

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>(Unsecured and Considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payments	231.97	134.05
Others	8689.46	7927.78
<b>TOTAL</b>	<b>8921.43</b>	<b>8061.83</b>

## 17. CASH AND CASH EQUIVALENTS

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
(a) Cash on Hand	27.54	30.64
(b) Cheques, Drafts on Hand	-	0.70
(c) Balances with Banks		
(i) In Current Accounts	486.59	335.56
(ii) Unpaid Dividend Accounts	2.74	2.37
(iii) In Fixed Deposits with Banks	1258.21	5.21
<b>TOTAL</b>	<b>1775.08</b>	<b>374.48</b>

## 18. SHORT TERM LOANS & ADVANCES

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
<b>Secured and Considered Good</b>		
Capital Advances	206.76	-
<b>Unsecured and Considered Good</b>		
Advances Recoverable in Cash or Kind	572.22	326.68
Prepaid Expenses	238.64	49.58
Employees Advances / Tour Advances	19.57	16.31
Balance with Central Excise, VAT Authorities, etc.	1726.09	1061.11
<b>TOTAL</b>	<b>2763.28</b>	<b>1453.68</b>

## 19. OTHER CURRENT ASSETS

(₹ In Lacs)

PARTICULARS	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
Excise Duty Involved in Stocks	1099.12	791.29
Interest Recoverable	-	62.27
Coins In Hand	0.42	-
Insurance Claim Recoverable	37.75	-
Other Recoverable - Sales Tax Department	10.05	-
Preliminary Expenses (Not Written off or Adjusted)	2.34	-
<b>TOTAL</b>	<b>1149.68</b>	<b>853.56</b>

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**20. REVENUE FROM OPERATIONS**

(₹ In Lacs)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>Sale of Products</b>		
Finished Goods	50676.85	45084.74
Traded Goods	4731.38	2705.47
	55408.23	47790.21
Less: Excise Duty	3232.64	2780.46
<b>TOTAL</b>	<b>52175.59</b>	<b>45009.75</b>

**Details of Sales of Products**

(₹ In Lacs)

ITEM	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>(a) Finished Goods</b>		
Liquid	27288.08	22316.85
Powder	8120.94	8727.98
Granules	9782.97	9057.13
Technicals	5484.86	4982.78
<b>Total (a)</b>	<b>50676.85</b>	<b>45084.74</b>
<b>(b) Traded Goods</b>		
Liquid	2384.15	1141.31
Powder	544.38	178.05
Granules	1000.66	1095.40
Raw Materials & Packing Materials	802.19	290.71
<b>Total (b)</b>	<b>4731.38</b>	<b>2705.47</b>
<b>Total (a+b)</b>	<b>55408.23</b>	<b>47790.21</b>

**21. OTHER INCOME**

(₹ In Lacs)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
Interest on Fixed Deposits with Banks	7.51	2.93
Interest (Others)	0.52	-
Dividend Income on Current Investments	-	5.00
Net Gain on Sale of Current Investments	-	2.50
Other Non-Operating Income	0.48	4.28
<b>TOTAL</b>	<b>8.51</b>	<b>14.71</b>

## 22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

PARTICULARS	(₹ In Lacs)	
	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>(a) Raw Material Consumed</b>		
Inventory at the beginning of the year	3575.31	4899.31
Add: Purchases	35767.33	26204.98
	<b>39342.64</b>	<b>31104.29</b>
Less: Inventory at the end of the year	6086.76	3575.31
<b>Total (a)</b>	<b>33255.88</b>	<b>27528.98</b>

### Detail of Raw Material Consumed

MATERIAL DESCRIPTION	(₹ In Lacs)	
	Consumption Value	
	2012	2011
Bentonite Granule	387.49	236.96
Hydrogen Peroxide	335.03	239.47
Mono Iso Propyl Amine (MIPA) 99%	798.53	349.19
N-phospho Methyl Imino Di Acetic Acid	2905.03	1716.01
2-chloro-5-chloro Methyl Thiazole	935.41	784.77
3-methyl-4-nitroimino Perhydro-1,3,5-oxa	560.66	673.38
Lambda Cyhalothric Acid	792.66	860.25
Trimethyl Phosphite (TMP)	546.94	327.91
Solvent C-IX	772.27	1018.82
Cyclohexanone	757.62	280.12
Heavy Aromatics Solvent	894.67	536.92
N-methyl Pyrrolidone (NMP)	450.16	289.35
Acephate Technical	817.38	569.70
Carbofuran Technical	382.81	359.55
Cartap Hydrochloride Technical	501.82	649.22
Chlorpyriphos Technical	1338.52	1543.03
Cypermethrin Technical	535.98	360.34
Methyl Parathion Technical	321.72	458.65
Metribuzin Technical	382.74	296.24
Monocrotophos Technical	2252.69	601.23
Paraquate Dichloride Technical	804.21	481.06
Phorate Technical	2174.95	1841.04
Pretilachlor Technical	775.53	509.87
Profenofos Technical	387.26	183.66
Cladinofop Propargyl 15% WP	540.31	-
<b>Other Material</b>	<b>11903.49</b>	<b>12362.24</b>
<b>Grand Total</b>	<b>33255.88</b>	<b>27528.98</b>

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### Detail of Closing Stocks of Raw material

(₹ In Lacs)

MATERIAL DESCRIPTION	Closing Stock Value	
	2012	2011
Bentonite Granule	124.53	20.28
Hydrogen Peroxide	15.69	25.75
Mono Iso Propyl Amine (MIPA) 99%	85.00	74.25
N-phospho Methyl Imino Di Acetic Acid	267.14	246.50
2-chloro-5-chloro Methyl Thiazole	57.72	15.10
3-methyl-4-nitroimino Perhydro-1,3,5-oxa	64.09	198.21
Lambda Cyhalothric Acid	333.93	42.12
Trimethyl Phosphite (TMP)	525.11	9.21
Solvent C-IX	128.15	12.85
Cyclohexanone	48.32	5.15
Heavy Aromatics Solvent	51.17	70.11
N-methyl Pyrrolidone (NMP)	60.96	48.72
Acephate Technical	263.85	24.87
Carbofuran Technical	0.10	71.04
Cartap Hydrochloride Technical	141.40	369.08
Chlorpyrifos Technical	72.66	85.75
Cypermethrin Technical	92.55	38.89
Methyl Parathion Technical	18.61	19.29
Monocrotophos Technical	436.29	485.84
Paraquate Dichloride Technical	53.47	10.77
Phorate Technical	584.33	288.38
Pretilachlor Technical	37.74	177.91
Profenofos Technical	205.34	0.03
<b>Other Material</b>	<b>2418.61</b>	<b>1235.21</b>
<b>Grand Total</b>	<b>6086.76</b>	<b>3575.31</b>
<b>(b) Packing Material Consumed</b>		
Inventory at the beginning of the year	789.21	341.72
Add: Purchases	4756.86	3456.48
	<b>5546.07</b>	<b>3798.20</b>
Less: Inventory at the end of the year	1269.57	789.21
<b>Total (b)</b>	<b>4276.50</b>	<b>3008.99</b>
<b>TOTAL (a+b)</b>	<b>37532.38</b>	<b>30537.97</b>

### 23. PURCHASE OF TRADED GOODS

(₹ In Lacs)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
Liquid	2138.79	753.62
Powder	645.42	206.34
Granules	155.32	966.80
<b>TOTAL</b>	<b>2939.53</b>	<b>1926.76</b>

**24. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS**

(₹ In Lacs)		
PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>Inventories at the end of the year</b>		
Finished Goods	10152.60	6015.29
Semi Finished Goods	1548.55	1303.48
Traded Goods	1177.62	890.52
<b>TOTAL (A)</b>	<b>12878.77</b>	<b>8209.29</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	6015.29	5580.52
Semi Finished Goods	1303.48	540.64
Traded Goods	890.52	446.16
<b>TOTAL (B)</b>	<b>8209.29</b>	<b>6567.32</b>
<b>(INCREASE) /DECREASE IN STOCK (B-A)</b>	<b>(4669.48)</b>	<b>(1641.97)</b>

**Details of Inventories of Finished Goods & Traded Goods**

(₹ In Lacs)		
ITEM	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>Finished Goods</b>		
Liquid	6768.81	3434.21
Powder	1412.92	1171.80
Granules	1667.37	842.82
Technicals	303.50	566.46
<b>Total</b>	<b>10152.60</b>	<b>6015.29</b>
<b>Traded goods</b>		
Liquid	732.08	370.55
Powder	354.72	85.04
Granules	90.82	434.93
<b>Total</b>	<b>1177.62</b>	<b>890.52</b>

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**25. EMPLOYEES BENEFIT EXPENSES**

(₹ In Lacs)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
Salaries, Wages and Bonus	1600.40	1145.37
Contribution to Provident and Other Funds	70.91	53.99
Gratuity Expenses (Refer Note No 30)	(1.22)	76.13
Staff Welfare Expenses	59.59	31.13
<b>TOTAL</b>	<b>1729.68</b>	<b>1306.62</b>

**26. DEPRECIATION & AMORTIZATION EXPENSES**

(₹ In Lacs)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
Depreciation on Tangible Assets	206.65	131.64
Amortization on Intangible Assets	29.01	21.32
<b>TOTAL</b>	<b>235.66</b>	<b>152.96</b>

**27. FINANCE COSTS**

(₹ In Lacs)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>Interest</b>		
Interest on Working Capital Loans from Banks	305.23	66.28
Interest (Others)	13.19	13.72
Interest on Term Loans from Banks	18.13	12.59
Interest on Unsecured Loans	0.72	0.07
Bank Charges	141.94	149.37
Net (Gain) / Loss on Foreign Currency Transactions and Translation (Considered as finance Costs)	635.22	(143.23)
<b>TOTAL</b>	<b>1114.43</b>	<b>98.80</b>

**28. OTHER EXPENSES**

(₹ In Lacs)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spares	167.98	142.43
Sub-Contracting Expenses	27.52	63.07
Power and Fuel Expenses	130.75	76.19
Freight Inward	155.49	435.00
Commission on Purchases	-	1.32
Conveyance Expenses	31.20	7.12
Repairs & Maintenance (Machineries)	35.60	20.37
Repairs & Maintenance (Buildings)	11.14	8.77
Repairs & Maintenance (Others)	33.30	9.78
Pollution Control Expenses	42.65	24.36
Entry Tax /Toll Tax	37.12	24.29
Laboratory Expenses	31.17	12.55
	<b>703.92</b>	<b>825.25</b>

<b>Selling &amp; Distribution Expenses</b>		
Discounts & Rebates Allowed	4317.11	4513.24
Freight Outward	1181.65	1009.66
Business Promotion Expenses	934.53	833.83
Leakage/Demonstration/Testing / Tender Expenses	9.40	5.54
Advertisement & Publicity Expenses	255.19	95.48
Royalty	90.77	83.11
Sales Commission	375.66	311.59
Travelling and Conveyance	362.49	319.20
	<b>7526.80</b>	<b>7171.65</b>
<b>Administrative &amp; General Expenses</b>		
Rent (Including Lease Rental)	100.98	79.56
Insurance	81.17	69.20
Telephone Expenses	26.84	25.05
Printing and Stationery	26.61	18.03
Legal and Professional Fees	77.05	79.01
Directors' Sitting Fees	3.60	3.20
Payment to Auditors (Refer Note No. 34)	16.85	6.40
Professional Tax	0.17	1.89
Electricity & Water Charges	26.06	9.72
Rates and Taxes	3.51	2.30
Repairs & Maintenance (Others)	5.29	2.55
Conveyance Expenses	1.97	1.74
Postage & Telegram Expenses	8.30	6.20
Filing Fees	0.42	0.37
Licence Fees	0.99	3.68
Office Maintenance Expenses	16.35	8.92
Membership & Subscription	2.81	2.30
Vehicle Running & Maintenance Expenses	20.58	10.84
Security Charges	30.56	17.08
Donation	3.23	4.81
TDS (Interest Paid)	0.15	0.03
Scooter Running & Maintenance Expenses	2.08	1.84
Fine & Penalties	0.70	1.01
Computer Running & Maintenance Expenses	64.98	20.74
Generator Repair & Maintenance Expenses	18.60	3.58
Books & Periodicals	0.83	0.49
Additional Sales Tax	3.86	1.85
ISO Expenses	1.27	1.01
Research & Development Expenses	148.01	71.01
Preliminary Expenses Written off	13.88	12.60
Bad debts/Advances Written off	0.28	(1.36)
Loss on Sale of Fixed Assets (Net)	13.79	11.32
Miscellaneous Expenses	51.52	40.88
Prior Period Items (Net)	3.20	2.46
	<b>776.49</b>	<b>520.31</b>
<b>TOTAL</b>	<b>9007.21</b>	<b>8517.21</b>

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## 29. EARNING PER SHARE (EPS)

The Company reports basic & diluted earnings per equity share in accordance with Accounting Standard–20 issued by The Institute of Chartered Accountants of India. The same is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. The Earning Per Share is calculated as under:

PARTICULARS	2011-12	2010-11
Profit after Taxation	₹ In Lacs 3301.52	₹ In Lacs 3221.61
Weighted Average Number of Equity Shares	12682966	12682966
Earning Per Share (Basic & Diluted)	₹26.03	₹25.40
Face Value Per Share	₹10	₹10

## 30. EMPLOYEE BENEFITS

### A. RETIREMENT BENEFITS

- Retirement Benefits in the form of Provident Fund / Family Pension Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Statement of Profit & Loss of the year.
- Retirement Benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on cash basis every year and charged to the Statement of Profit & Loss of the year.
- Retirement Benefits in the form of Gratuity, which is defined benefit plan, is determined and accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.
- The Actuarial Gains/ Losses arising during the year are recognized in the Statement of Profit & Loss of the year.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the Gratuity Plan:

### GRATUITY LIABILITY

PARTICULARS	(₹ In Lacs)	
	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>I. Assumptions</b>		
Discount Rate	8.50%	8.25%
Rate of Return on Plan Assets	8.50%	8.25%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00% Age Related	2.00% Age Related
<b>II. Change in the Present Value of Defined Benefit Obligation</b>		
Liability at the beginning of the year	78.69	46.08
Interest Cost	6.49	3.80
Current Service Cost	15.18	9.18
Benefit Paid	(3.07)	(0.32)
Actuarial (Gain)/Loss on obligations	35.98	19.95
Liability at the end of the year	133.27	78.69

(₹ In Lacs)		
PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2012	FOR THE YEAR ENDED ON MARCH 31, 2011
<b>III. Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	101.34	56.66
Expected Return on Plan Assets	8.36	4.67
Contributions by Employer	12.64	38.96
Benefit Paid	(3.07)	(0.32)
Actuarial Gain/(Loss) on Plan Assets	1.63	1.35
Fair Value of Plan Assets at the end of the year	120.90	101.34
Total Actuarial Gain/(Loss) To be Recognized	(34.35)	(18.59)
<b>IV. Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	8.36	4.67
Actuarial Gain/(Loss) on Plan Assets	1.63	1.35
Actual Return on Plan Assets	9.99	6.03
<b>V. Amount Recognized in the Balance Sheet</b>		
Liability at the end of the year	133.27	78.69
Fair Value of Plan Assets at the end of the year	120.90	101.34
Difference	12.37	(22.64)
Unrecognized Past Service Cost	-	-
Amount Recognized in the Balance Sheet	12.37	(22.64)
<b>VI. Expenses Recognized in the Statement of Profit &amp; Loss</b>		
Current Service Cost	15.18	9.18
Interest Cost	6.49	3.80
Expected Return on Plan Asset	(8.36)	(4.67)
Actuarial (Gain) or Loss	34.35	18.59
Expenses Recognized in the Statement of Profit & Loss	47.66	26.90
<b>VII. Balance Sheet Reconciliation</b>		
Opening Net Liability	(22.64)	(10.58)
Expense Recognized in the Statement of Profit & Loss	47.66	26.90
Employers Contribution	(12.64)	(38.96)
Amount Recognized in Balance Sheet	12.37	(22.64)
<b>VIII. Category of Assets</b>		
Insurer Managed Funds	120.90	101.34
<b>Total</b>	<b>120.90</b>	<b>101.34</b>

**Investment Details of Plan Assets: 100% with Life Insurance Corporation of India**

- B. Short Term Employees Benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the related service is rendered.

**31. SEGMENT REPORTING**

The Company is engaged in the business of Formulation & Manufacture of Pesticides. Segment Revenue, Segment Expenses, Segment Assets & Segment Liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment. The Revenue, Expenses, Assets & Liabilities which are not allocable to segments, have been included under "Unallocated Revenue, Expenses, Assets & Liabilities".

## A. PRIMARY SEGMENT

Based on the following guiding principles given in the Accounting Standard-17 "Segment Reporting" issued by The Institute of Chartered Accountants of India, the Company's primary segments are **Formulated Pesticides** consisting of Pesticides, Herbicides, Fungicides & Plant Growth Regulators and **Technical Pesticides**, which are the basic active ingredients used for making formulations so that they can be used directly by the Farmers and/or Consumers:

- The Nature of the Products.
- The Related Risks and Returns.
- The Internal Financial Reporting System.

Revenue and Expenses have been accounted for based on the basis of their relationship to the operating activities of the segments.

Revenue and Expenses, which relates to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included in under "Un-allocable Expenses".

Assets and Liabilities, which relates to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included in under "Un-allocable Assets / Liabilities".

### Primary Segment Information

Description	(₹ In Lacs)									
	Formulations		Technicals		Un-Allocated		Eliminations		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>Segment Revenue (Sales/Income) :</b>										
a) External Sales										
	49961.33	42807.43	5446.90	4982.78	-	-	-	-	55408.23	47790.21
b) Inter Segmental Sales	-	-	4973.05	3908.15	-	-	4973.05	3908.15	-	-
<b>Gross Sales</b>	49961.33	42807.43	10419.95	8890.93	-	-	4973.05	3908.15	55408.23	47790.21
<b>Less : Excise Duty</b>	3196.42	2799.34	36.22	(18.88)	-	-	-	-	3232.64	2780.46
<b>Net Sales</b>	46764.91	40008.09	10383.73	8909.81	-	-	4973.05	3908.15	52175.59	45009.75
<b>Segment Result</b>										
Operating Profit before Interest and Taxes	-	-	-	-	5400.60	4357.72	-	-	5400.60	4357.72
Less : Interest Expenses	-	-	-	-	1114.43	242.03	-	-	1114.43	242.03
Add : Profit on Sale of Investment	-	-	-	-	-	2.49	-	-	-	2.49
Add : Dividend Income	-	-	-	-	-	5.00	-	-	-	5.00
Add : Interest income	-	-	-	-	8.52	2.93	-	-	8.52	2.93
<b>Profit Before Tax</b>	-	-	-	-	4294.69	4126.11	-	-	4294.69	4126.11
Current Tax	-	-	-	-	945.00	860.00	-	-	945.00	860.00
Deferred Tax	-	-	-	-	84.89	36.81	-	-	84.89	36.81
Wealth Tax	-	-	-	-	1.25	1.25	-	-	1.25	1.25
Provision for Taxes of Earlier year	-	-	-	-	(37.97)	6.44	-	-	(37.97)	6.44
<b>Profit After Tax</b>	-	-	-	-	3301.52	3221.61	-	-	3301.52	3221.61
<b>Other Information</b>										
Segment Assets	-	-	-	-	52029.58	33998.16	-	-	52029.58	33998.16
Segment Liabilities	-	-	-	-	29406.84	14863.59	-	-	29406.84	14863.59
Capital Expenditure	2271.82	760.84	16.76	14.57	3275.54	5165.30	-	-	5564.12	5940.71
Depreciation	196.83	115.05	38.83	37.91	-	-	-	-	235.66	152.96
Non-cash Expenditure	19.18	29.24	8.48	8.48	-	-	-	-	27.66	23.91

## B. SECONDARY SEGMENT

The Company caters mainly to the need of the Indian Market. The Export Turnover during the year is less than 10 % of the total turnover; as such there is no reportable Geographical Segment.



### 32. RELATED PARTY DISCLOSURES

In compliance to AS 18 issued by The Institute of Chartered Accountants of India, the Disclosure of transactions with Related Parties as defined in Accounting Standard (Excluding reimbursements) are given herein below:

#### (i) RELATED PARTIES

##### A. Key Management Personnel & Directors

- |                            |                               |
|----------------------------|-------------------------------|
| 1. Mr. Hari Chand Aggarwal | 5. Mr. Gopal Chandra Agarwal  |
| 2. Mr. Rajesh Aggarwal     | 6. Mr. Rajender Pershad Gupta |
| 3. Mr. Sanjeev Bansal      | 7. Mr. Navin Shah             |
| 4. Mr. Navneet Goel        | 8. Mr. Anil Kumar Singh       |

##### B. Other related parties where common control exists and with whom the company had transactions during the year

- |                                 |                   |
|---------------------------------|-------------------|
| 1. Paras Agro Industries        | Associate Firm    |
| 2. ISEC Organics Ltd.           | Associate Company |
| 3. Evergreen Mineral Industries | Associate Firm    |

(Except above, there is no other related persons/ parties with whom transaction took place during the year as confirmed and certified by the Management of the Company)

#### (ii) Transactions during the year with related parties

(₹ In Lacs)

Sr. No.	Name of Related Parties	Relationship	Nature of Transaction	2011-12	2010-11
1	Mr. Hari Chand Aggarwal	Chairman	Directors Remuneration	37.80	25.07
			Loan Taken	10.00	NIL
			Interest Paid	0.20	NIL
			Loan Repaid	10.00	NIL
2	Mr. Rajesh Aggarwal	Managing Director	Directors Remuneration	47.32	25.07
			Loan Taken	55.00	NIL
			Loan Repaid	55.00	NIL
3	Mr. Sanjeev Bansal	Whole-Time Director	Directors Remuneration	6.30	5.47
4	Mr. Sanjeev Bansal(HUF)	(Director is a Karta)	Interest Paid	NIL	0.01
5	Mr. Rajender Pershad Gupta	Director	Sitting Fee	0.60	0.50
6	Mr. Navneet Goel	Director	Sitting Fee	0.75	0.70
7	Mr. Gopal Chandra Agarwal	Director	Sitting Fee	0.75	0.70
8	Mr. Navin Shah	Director	Sitting Fee	0.75	0.60
9	Mr. Anil Kumar Singh	Director	Sitting Fee	0.75	0.70
10	ISEC Organics Ltd.	Associate Company	Rent	26.47	26.47
			Loan Taken	71.00	NIL
			Interest Paid	0.52	NIL
			Loan Repaid	46.00	NIL
11	Paras Agro Industries	Associate Firm	Purchases	115.86	126.29
12	Evergreen Mineral Industries	Associate Firm	Purchases	193.81	205.53

**(iii) Balance outstanding with related parties**

(₹ In Lacs)

Sr. No.	Name of Related Parties	Relationship	Nature of Outstanding	AS AT 31.03.2012	AS AT 31.03.2011
1	Mr. Hari Chand Aggarwal	Chairman	Remuneration Payable	3.94	3.23
2	Mr. Rajesh Aggarwal	Managing Director	Remuneration Payable	5.63	3.23
3	Mr. Sanjeev Bansal	Whole-time Director	Remuneration Payable	0.74	0.70
4	ISEC Organics Ltd.	Associate Company	Long Term Loan Payable	25.00	NIL
5	Paras Agro Industries	Associate Firm	Trade Payable/ (Receivable)	32.74	(1.86)
6	Evergreen Mineral Industries	Associate Firm	Trade Payable	5.09	20.85

**33. DEFERRED TAX LIABILITIES**

The detail of deferred tax liabilities for the year is given as under :

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
Deferred Tax Assets	NIL	NIL
Deferred Tax Liabilities (Related to Depreciation)	289.81	204.92
Deferred Tax Liabilities At The End of The Year	289.81	204.92
For The Year	84.89	36.81

**34. PAYMENT TO AUDITORS (Net of Service Tax)**

(₹ In Lacs)

PARTICULARS	2011-12	2010-11
<b>As Auditors</b>		
Audit Fees	11.00	4.40
Tax Audit Fees	2.00	1.00
<b>In Other Capacity</b>		
Taxation & Other Matters	2.00	1.00
<b>TOTAL</b>	<b>15.00</b>	<b>6.40</b>

**35. Remittance in Foreign Currency on account of Dividend : Nil****36. COST OF IMPORTED MATERIALS CONSUMED****A. RAW MATERIAL CONSUMED**

	2011-12		2010-11	
	Amount (₹ In Lacs)	Percentage	Amount (₹ In Lacs)	Percentage
Imported	8998.88	27.06	6757.50	24.55
Indigenous	24257.00	72.94	20771.48	75.45
<b>TOTAL</b>	<b>33255.88</b>	<b>100.00</b>	<b>27528.98</b>	<b>100.00</b>

**B. PACKING MATERIALS & COSUMABLE STORES CONSUMED**

	2011-12		2010-11	
	Amount (₹ In Lacs)	Percentage	Amount (₹ In Lacs)	Percentage
Imported	-	-	-	-
Indigenous	4444.48	100.00	3151.41	100.00
<b>TOTAL</b>	<b>4444.48</b>	<b>100.00</b>	<b>3151.41</b>	<b>100.00</b>

### C. RAW MATERIAL, PACKING MATERIALS & COSUMABLE STORES CONSUMED

	2011-12		2010-11	
	Amount (₹ In Lacs)	Percentage	Amount (₹ In Lacs)	Percentage
Imported	8998.88	23.87	6757.50	22.03
Indigenous	28701.48	76.13	23922.89	77.97
<b>TOTAL</b>	<b>37700.36</b>	<b>100.00</b>	<b>30680.39</b>	<b>100.00</b>

#### 37. VALUE OF IMPORTS (ON CIF BASIS)

PARTICULARS	(₹ In Lacs)	
	2011-12	2010-11
Raw Materials	8550.18	6710.07
Machinery	77.84	57.03

#### 38. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

PARTICULARS	(₹ In Lacs)	
	2011-12	2010-11
Tour & Travelling Expenses	2.42	3.87
Royalty	90.77	83.11
Sales Promotion	26.87	NIL
Professional Charges	3.60	NIL
Interest	132.04	18.91

#### 39. INCOME IN FOREIGN CURRENCY (FOB)

PARTICULARS	(₹ In Lacs)	
	2011-12	2010-11
Export Sales	55.49	35.90

40. The Company has suffered a loss of ₹37.75 Lacs due to loss of inventory and fixed assets burnt in fire occurred in Dahej Plant on 19-03-2012. This loss is fully recoverable from the insurer and the company has already lodged the claim with the insurance company. Due to small incidence of fire, there is no disturbance in the operations of the company. The insurance claim has not been settled till date and the company has shown said loss recoverable from the insurance company in financial statement for year under consideration. The loss if any due to any deduction / disallowance of claim by the insurer shall be adjusted in the financial statement during year in which claim will be finally settled.

#### 41. CONTINGENT LIABILITIES

S. No.	PARTICULARS	(₹ In Lacs)	
		AS AT 31.03.2012	AS AT 31.03.2011
(a)	Letter of Credits	4681.03	2871.88
(b)	Bank Guarantee	197.35	NIL
(c)	Import Bills Accepted with Banks	393.43	NIL
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered – March, 2002 to October, 2002)	75.67	75.67
(e)	Excise Matter with Appellate Authority, New Delhi (Period Covered – September, 2004 to August, 2007)	161.72	161.72
(f)	Sales Tax Matter with Appellate Authorities at Asansol (West Bengal)	5.70	NIL
(g)	Sales Tax Matter with Appellate Authorities at Ghaziabad (Uttar Pradesh)	9.64	NIL

(Except above no other contingent liabilities are outstanding as explained and certified by the Management of the Company)

With respect to Contingent Liabilities reported at (d) to (g) above, the management has taken an opinion from the legal advisors/ professional engaged by them and is very much hopeful that the appeals will be decided in the favour of the company and as such, no provision thereof has been made.

42. Estimated amount of contract remaining to be executed on capital accounts (net of advances) & not provided for ₹5703465 Lacs (Previous year ₹964 Lacs)
43. In the opinion of the Board of Directors of the Company, the current assets, loans and advances have the value at least equal to the figures stated in the Balance Sheet on realization in the ordinary course of business and provision for all determinable/known liabilities have been made in the Accounts when reliable estimates can be made of the amount of obligation.
44. The Balances shown under the head Sundry Debtors and Sundry Creditors are subject to confirmation and reconciliations. However, the Company has initiated the process of obtaining confirmations from Sundry Debtors & Creditors.
45. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India except the taxes/ duties recoverable has been included in the valuation of stocks as per the past practice.
46. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2012 is ₹1276.48 Lacs ( Previous Year- ₹188.75 Lacs).
47. The Company has not received any confirmation from suppliers regarding their status of registration under the Micro, Small & Medium Enterprises Development Act, 2006 which came into effect from October 02, 2006 and hence disclosure required under the said act have not been given.
48. The Previous Year Figures have been reworked , regrouped , rearranged, reclassified and / or re-casted wherever deemed necessary to make them comparable with those of the Current Year's Figures.
49. All the common expenses incurred during the year in respect of Formulation (Products) Units at Chopanki, Samba, Udampur and Dahej have been allocated at the year end in the proportion to Sales (Net) effected during the year. The Technical (Products) Unit at Chopanki is a separate as well as independent unit having no common activities if compared with above mentioned Formulation Units and as such the expenses incurred by branches/ other units have not been allocated to the Technical Unit except common expenses incurred by the Head Office which are allocated in proportion to Sales (Net) effected by all the Units.

#### 50. DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

- (a) The nominal amount of derivative contracts entered into by the company and outstanding as on March 31, 2012 amount to ₹1559.95 Lacs ( Previous Year –Nil). The Category wise break-up is given below :-

(₹ In Lacs)

S. No.	PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
1	Interest Rate Swaps	33.85	NIL
2	Currency Swaps	1526.10	NIL

- (b) Foreign Currency exposure that are not hedged by derivatives instruments as on March 31, 2012 amount to ₹10779.98 Lacs (Previous Year ₹3581.40 Lacs)
- (c) Mark to Market Losses provided for by the company as on March 31, 2012 amount to ₹56.12 lacs (Previous Year-Nil)

As per our separate report of even date annexed herewith.

FOR AND ON BEHALF OF THE BOARD

For **MOHIT PAREKH & CO.**  
CHARTERED ACCOUNTANTS

**(MOHIT A PAREKH)**  
Proprietor  
M.No.- 081069  
Firm Regn. No. - 002067N

Place : Delhi  
Date : May 26, 2012

**HARI CHAND AGGARWAL**  
CHAIRMAN

**SANJEEV BANSAL**  
WHOLE TIME DIRECTOR

**SANDEEP AGGARWAL**  
CHIEF FINANCIAL OFFICER

**RAJESH AGGARWAL**  
MANAGING DIRECTOR

**PANKAJ GUPTA**  
COMPANY SECRETARY

LETHAL  
VICTOR  
THIMET  
MONOCIL  
PULSOR  
HAKAMA  
NUVAN  
SUPER STAR  
PHENTOM  
AVON PLUS  
METRO  
VICTOR SUPER  
INDAN SP  
FLITE 71  
ARROW  
LETHAL  
VICTOR  
THIMET  
MONOCIL  
PULSOR  
HAKAMA  
NUVAN  
SUPER STAR  
PHENTOM  
AVON PLUS  
METRO  
VICTOR SUPER  
INDAN SP  
FLITE 71  
ARROW



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# IIL ON INDIAN MAP



Formulation Plant, Chopanki, Rajasthan



Formulation Plant, Samba, J&K



Technical Plant, Chopanki, Rajasthan



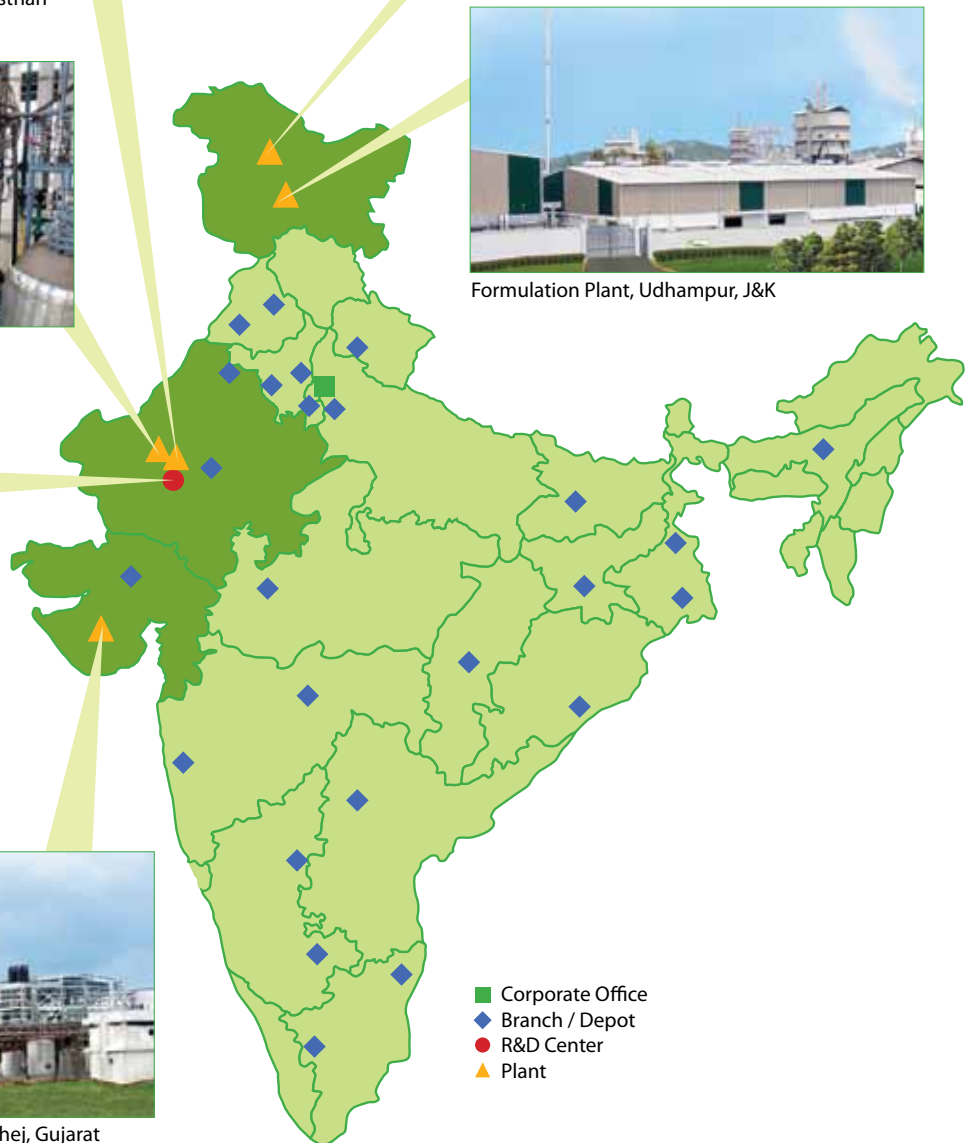
Formulation Plant, Udhampur, J&K

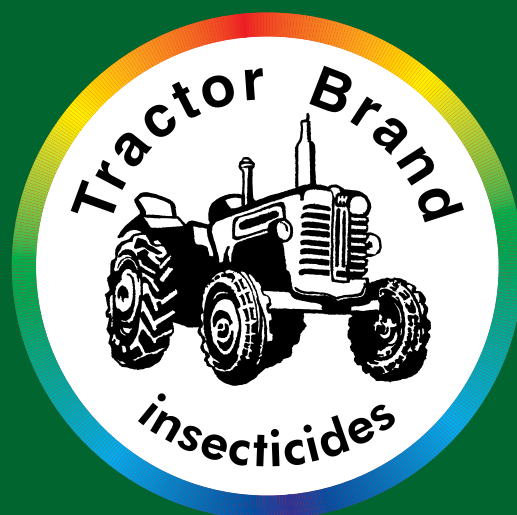


R&D Center, Chopanki, Rajasthan



Formulation & Technical Plant, Dahej, Gujarat





Insecticides (India) Limited

Regd. & Corp. Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

[www.insecticidesindia.com](http://www.insecticidesindia.com)