

# IN PURSUIT OF GREENER FUTURE

ANNUAL REPORT 2015-16





## SOWING THE SEEDS OF A SUSTAINABLE FUTURE

Sustainable development is the pathway to the future; we need for the growing demands of food. It offers a framework to generate economic growth, achieve social justice and exercise environmental stewardship.

Indian agriculture has come a long way since independence, with chronic food scarcity giving way to grain self-sufficiency despite a two-and-a-half fold increase in population. In 1966-67, just before India's Green and White Revolutions, Indian wheat and milk production were just about one third of US output. By 2013-14, Indian wheat output was 60 percent higher and the milk output was 50 per cent higher than America. (Source: Indian Economic Survey 2015-16)

But the sector is yet to realize its full potential in terms of bringing in efficiencies across all the stages in the value chain. The population of marginal cultivators is now increasing, whereas

the landholdings are decreasing thus making the agriculture profession unviable. Besides this, the sector is highly susceptible to vagaries of the nature. Difficulties in adopting modern farming technologies and lack of knowhow about modern farming processes and agri-inputs are creating immense pressure on the agriculture sector to undergo transformation.

Thus in the next generation agriculture practices, there is a need to do more with less and increase the yield by optimizing the available resources.

At Insecticides (India) Ltd., we are striving hard to empower the farming community by providing technology & knowledge to help them in preventing crop losses, reducing input costs and adopting judicious use of agrochemicals to ensure a sustainable and secure future.



### Drivers of Growth

- Speed
- Innovation
- Trust
- Service
- Customer Delight
- Green Growth
- Strategic Saving





## INDIAN AGRICULTURE

A UN study on global population trends predicts that India will surpass China to become the most populous nation in the world by 2022. With a present size of 1.32 billion, India currently supports nearly 17.84% of the world population, with 2.4% land resources and 4 % of water resources.

It is also noted that about 15-25% potential crop production is lost due to pests, weeds and diseases. These indeed are challenging times. Keeping pace with these growing numbers, the country will not only have to raise its agricultural production but also the productivity to ensure food and nutrition security of the nation.

Crop protection and crop enhancement solutions, based on best global practices and the latest technologies available are the answer. There are good emerging trends and solutions for sustainable crop protection which include crop protection chemicals, agronomy, fertigation, seed treatment, bio-technology development etc.

The next generation agriculture in the country will have to encompass all such possible solutions using the best mode in a given scenario. The sector faces many challenges and solution to same can lead to India becoming a global manufacturing hub of quality crop protection chemicals.

Although yield per hectare has doubled in the past years, Indian agriculture is still grappling with challenges like high monsoon dependency, unpredictable weather patterns, reduction in arable land, low per hectare yield, increase in pest attacks, etc.

Source: FICCI Report July 2016





## IIL - A JOURNEY TOWARDS A GREENER FUTURE

IIL started its business in 2001, with the vision of bringing world class environment friendly agrochemical products within the reach of farmers. Since the beginning, the core of the mission was to ensure sustainable agriculture and safe food. With the visionary leadership, it made rapid strides by becoming one of the most preferred brands for the farmers of India.

In the process, it has emerged as an integrated company having an advanced R&D facilities, robust manufacturing facilities, strong brand portfolio enriched by partnerships with leading international companies and supported by pan India distribution network. As per the CRISIL report of 2015, your company has around 7% of total market share in the domestic agrochemical market of USD 4.4 billion (FY15).

With a brand portfolio of more than 99 products, 5000+ distributors and 60,000

dealers across the length and breadth of country, your company today has become formidable player in the market.

Amongst its fast growing product portfolio, 8 out of its leading league of 9 products feature in top 5 products of their categories. The R&D facilities of company has so far developed 50 new processes and has received 2 process patent while 7 process patent applications are pending.

In JV with OAT Agrio Co., Ltd., Japan for new product discovery R&D centre, IIL looks forward to provide futuristic solutions to the world's agriculture.

Lately the company has forayed into the production of Bio products to reduce the usage of chemical fertilisers and promote soil health.

“Thinking ahead of time and its prudent execution has been the differentiator for the company.”

## A BRAND CONTINUOUSLY EVOLVING IN THE BEST INTEREST OF FARMERS

Insecticides (India) Limited is committed to fortify agriculture with a highly productive and futuristic approach. This umbrella brand is continuously adopting innovative measures to bring in better products and newer technologies. To make these transitions more comprehensive and user friendly, Tractor brand- the choicest brand of the farmers has refreshed its identity and product line.





## THE JOURNEY



Converted into a Public Limited Company

2001



Acquired 21 leading brands of Montari Industries Limited

2003



- Set up a R&D Laboratory in Chopanki
- Plant at Chopanki accredited with ISO 9001:2008 certification

2005



- The Company got listed on NSE and BSE with an Initial Public Offering
- The Technical plant at Chopanki commenced operations
- Expansion of capacity at the Formulations plant was completed in Samba

2007



- Acquired Monocil brand from NOCIL Limited
- Set up two new formulation plants at Dahej and Udhampur

2011



- Established the R&D Centre in Joint Venture with OAT Agrio Co., Ltd., Japan, at Chopanki, Rajasthan
- Commencement of New Formulation unit at E439- 440, Chopanki (Rajasthan)

2014

2002

Started operations by commencing formulation plant in Chopanki (Rajasthan)



2004

Commissioned second formulation plant in Samba (Jammu & Kashmir)



2006

Acquired the exclusive rights to sell the Thimet brand in India from American Vanguard Corporation, USA in technical collaboration



2008

Received the OHSAS 18001 certification



2012

- Launched Nuvan in technical collaboration with AMVAC, USA
- Launched Hakama and Pulsor in tie-up with Nissan, Japan
- Entered into a Joint Venture with OAT Agrio Co., Ltd., Japan, for research and invention of new agro chemicals
- Commencement of operations at the Technical plant at Dahej



2015

- Launch of Biological products
- Follow on QIP
- Issue of Bonus Shares





## CHAIRMAN'S QUOTE

Dear Shareholders,

Agriculture plays a vital role in India's economy. Over 58 per cent of our rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP).

As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015-16 at 2011-12 prices.

India is the largest producer, consumer and exporter of spices and spice products. India's fruit production has grown faster than vegetables making it the second largest fruit producer in the world. India's horticulture output, comprising fruits, vegetables and spices, has reached a record high of 283.5 million tonnes (MT) in 2014-15. It ranks third in farm and agriculture outputs.

Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity.

On the contrary, India currently supports nearly 17.84% of the world population, with 2.4% land resources and 4% of water resources. It is also an alarming fact that about 15-25% potential crop production is lost due to pests, weeds and diseases. This indeed is a challenging fact for the agriculture sector of India.

Keeping pace with the growing numbers, the country will not only have to raise its agricultural production but also the productivity to ensure food and nutrition security of the nation.

Amidst these circumstances, your company is continuing its drive to impart knowledge, manufacture quality products and bring highly successful global brands & products in India. As an integrated company having a mix of strong R&D facilities, robust manufacturing facilities, Pan-India distribution network, established brands, global tie-ups and experienced management team, we are constantly focussed to help farmers in building a sustainable future for agriculture.

As we move forward, we remain committed to pursue growth by further strengthening our own capabilities and expanding our reach to more and more farmers across the globe.

While we are gaining foothold in domestic territory, we are growing our business by entering international market as well. Our export wing will soon start contributing to our revenues substantially.

I would like to thank all our employees for their energy and dedication they have put so far. Your dedication to work for the farmers generously has really made a difference in all parts of the country. We feel ourselves fortunate to work for the farmers and will keep working in this direction tirelessly. It is our prime endeavour to bring a change to the lives of the farmer.

I also take this opportunity to thank our customers, vendors and channel partners for their endowing support and belief in their company. We look forward to the next year, where we plan to launch new products that will set the milestone for the industry.

“In spite of another unfavourable year in India for agriculture and rather fragile world market, Insecticides (India) Ltd. has continued on the path of progress through the fiscal year 2015-16. The company has put up a constant progress performance with net sales of ₹ 988 crore and net profit of ₹ 39 crore. Our Earnings per Share stood at ₹ 19.01. ”



Mr. H. C. AGGARWAL  
Chairman

“Shifting towards Safe and Clean Food is not just an act, it is a shift of consciousness. We are continuously evolving ourselves towards it through new age green chemistry. ”





## FROM THE DESK OF MANAGING DIRECTOR

In the journey of business excellence, your company is committed to increase the value for stakeholder. Our ambition to be amongst the top global players has a clear identified path based on four pillars of growth: Quality, Sustainability, Innovation and Collaboration.

With a diverse portfolio of branded formulations, active ingredients and bulk formulations supported by state-of-art infrastructure and ultra modern technologies, we continuously strive to deliver high quality products. Our multipurpose technical synthesis plants have a total of 11 streams, which provide us the variety and flexibility to expand our product range and change our product mix in response to the changes in the customer demands and industry trends.

It also gives us the advantage of inventory control and lessens dependence on one or two products.

Mr. Rajesh Aggarwal  
Managing Director

We are endeavouring to enrich our product mix with high value added solutions. To bring in the patented technologies, we are working with Japanese players like Nissan Chemical Industries, Ltd. and OAT Agrio Co., Ltd. In addition, our In-House R&D wing is developing new patented formulations.

Your company is also working in the direction of establishing technologies for the off-patented molecules to make them in India and bring them in the reach of the common farmers.

To expand the product range, our biological wing having a dedicated bio R&D laboratory & manufacturing plant set up in toll had launched one bio fertilizer product, Mycoraja last year. This eco-friendly product will help farmers to

optimize the use of the chemical fertilisers. The research team is working further on developing 3-4 new products, to be launched in the near future.

As we enter the next phase of our strategy, your company is emerging as an innovation driven Agrochemical Company to have an exclusive product invention R&D centre in JV with OAT Agrio in India. We have aggressive plans for the coming year and plan to launch 7-8 new products, some of them will be of own manufacturing and some will be in partnership with global players.

As we move ahead, I look forward for more support from employees and stakeholders including farmers.

“ We are the first Indian agrochemical company to have a product discovery R&D centre in India in JV with a Japanese Company. We are looking forward to green chemistry and safe food. We plan to come up with 2-3 molecules within next few years, which will set an example for the industry.

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#### ECO-FRIENDLY

All our manufacturing facilities are equipped with technologies and infrastructure that help reduce the impact on environment. In testimony to this practice of IIL, stands the ISO 14001:2004 certification which confirms to the internationally recognised environmental management standards by the company.



#### MANUFACTURING

Ultra modern automated manufacturing facilities backed by processes that are empowered by technology. This has allowed us to manufacture products with consistent quality and safety across all verticals.



#### PEOPLE

The evolving nature of the sector requires us to strengthen our intellectual capabilities. At IIL, we are continuously strengthening our human resource across verticals to achieve desired goals and stay ahead of competition.



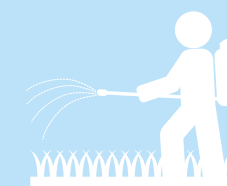
#### INGREDIENTS FOR SUSTAINABLE GROWTH

#### PRODUCT PORTFOLIO

IIL caters to the farmers with complete range of products like insecticides, herbicides, fungicides and PGRs. These products are available in more than 99 formulations, 15 technical and 350 SKUs.

#### GOVERNANCE

Our journey towards growth has been supported by our principle and Value System of doing things the right way. We focus strongly on transparency, ethics and governance (within and outside the organisation) to drive the organisation ahead.





NAVRATNA OF  
TRACTOR BRAND

**NUVAN**  
Nuvan is one of the largest selling insecticides with contact stomach & fumigant action.



**MONOCIL**  
Monocil is a systemic insecticide-cum-acaricide which controls a broad spectrum of pests in a wide range of crops.



**HAKAMA**  
Hakama is a post-emergence selective herbicide which controls narrow leaf weeds in broad leaf crops.



**PULSOR**  
Pulsor is a systemic fungicide with preventive and curative action and it controls Rice Sheath Blight very effectively.



**XPLODE**  
Xplode is a naturally derived insecticide that effectively controls all the stages of Lepidopteran pest on different crops.



**VICTOR**  
Victor it is one of the top 3 brands in the category. It provides long term protection from sucking pests. Victor is a systemic insecticide that effectively controls termites.



**THIMET**  
Thimet is one of the biggest agro-chemical brand internationally. It is an organo phosphorous insecticide.



**LETHAL SUPER 505**  
Lethal Super 505 is one of the farmer's choicest brands & it belongs to an Organophosphorous group of insecticides that effectively controls a broad range of insects through contact, stomach and vapour action.



**HIJACK**  
Hijack is a non selective systemic herbicide which provides effective control over annual and perennial weeds. Hijack provides long duration control over weeds and ensures more nutrients for crop.



Eight of the Nine Navratna product's are among top 5 products in their respective categories.  
Source: CRISIL ISSUER PROFILE - APRIL 2015



## ENTERING THE BIOSPHERE

Insecticides (India) Ltd. has always believed in moving ahead with times and has strive to provide a complete crop solution to the farmers. Today's crop solution is not complete without biological products. A proper combination of agro chemicals and biological products is required to optimise the cost of the farmers and increase productivity.

In order to achieve good yield from farm, Government of India has recommended adoption of the IPM (Integrated pest management) practices by the farmer. IPM is being mainstreamed in Food and Agriculture organisation of the United States, in the activities involving crop protection and production.

It involves a combination of practices such as biological control, modification of cultural practices and optimizing the use of the agro chemicals and fertilisers. Driven by this, Insecticides (India) Limited entered into the field of biological products i.e. fertilisers and crop protection products.

It has incepted a dedicated R&D centre for biologicals. The R&D Facility is equipped with bio assay and product development facilities such as microscopes (Stereo zoom binoculars with PC data station with imaging technique) , BOD incubators with shakers, laminar air flow hoods, vertical autoclave, infra red moisture balance, analytical mettler balances, ozone generator, bio reactor, plant growth chambers and insect rearing facilities.

This facility made a breakthrough by developing and commercialising for the company, Vascular Arbuscular Mycorrhizae (VAM) in various forms for use as a fertiliser and seed treatment which is a friendly fungi that helps the plant to intake the various macro and micro nutrients from the soil making the plant healthy and simultaneously decreasing the chemical fertilizer DAP load and thus increasing the production for the farmers. Project is in process for products like NPK consortia which will improve the intake of the nitrogen, potash and phosphorous from the soil and reduce the use of the chemical fertilisers, and Zinc solubilising bio fertiliser which will help the plant to utilise the zinc available in the soil and will limit the excessive use of zinc sulphate.

Manufacturing activities has been also initiated by providing technology, plant design up to production stage under toll manufacturing arrangement. Biological Products are being manufactured here under the able supervision of highly qualified bio technologists and micro biologists.

“ Agro Chemicals and Biological input need to coexist in order to bring synergistic benefits to farmers. ”





MANUFACTURING  
PROSPERITY FOR FARMERS



Technical Synthesis Facilities

- Two technical synthesis plants
- Variety of technicals
- 11 streams of technical synthesis
- Technical Product Range

Insecticides	Weedicides	Fungicides
Lambdacyhalothrin	Glyphosate	Thiophanate Methyl
Diafenthuron	Sulfosulfuron	Tricyclazole
Imidacloprid	Atrazine	Myclobutanil
Thiamethoxam	Imazethapyr	
Dichlorvos		
Chlorpyrifos		

Formulation Facilities

- 5 formulation plants
- One of the largest formulation capacities in the country
- Capabilities for the new formulations
- Automatic packing lines with variety of pack size
- Capacities for toll manufacturing

17,450 KLPA

Aggregate installed capacity of liquid

75,600 MTPA

Aggregate installed capacity of granules

16,980 MTPA

Aggregate installed capacity of powder

13,800 MTPA

Aggregate installed capacity of active ingredient & bulk

- ❖ ISO 9001:2008 System Compliance Certification

❖ Occupational Health and Safety Assessment System (OHSAS) 18001:2007
- ❖ Environmental Management System (EMS) ISO 14001:2004

❖ NABL accredited Q.C. Labs





R&D TO FORTIFY  
GREEN GROWTH

With the changing agriculture, need for providing the latest solution to the farmers is a vital aspect for sustainability. Working hand in hand with farmers, we have realised the pressing need for more revolutionary products, and only R&D can give us the key edge.

ILL has established a state of the art In-House R&D Unit recognized by DSIR, Ministry of Science and Technology. The R&D centre is equipped with analytical R&D with highly sophisticated instruments like GCMS, Preparative HPLC, UPLC, FTIR, GC with different type of detectors and HPLC with PDA detectors. The centre is also having capacity for identification and characterization of impurities profile.

The centre has prepared more than 50 reference standards for technical and impurities in last year. During last two years, the technology of various products like Imazethapyr, Matalxyl, Myclobutanil and Fenpyroximate has been developed by R&D centre and all processes have been commercialized. Further research for many new age products is in process.

One of the major achievements of this centre is development of new eco friendly process for Bispyribac Sodium, which will be commercialized in the next year. This is a new age post-emergence herbicide for the control of a wide range of weeds in paddy. This compound presents a good eco-toxicology profile and is suitable for application on paddy.

“ ILL has come a long way in R&D, working in the direction of providing the solution to the farmers, today time has changed from customer satisfaction to customer delight and R&D is the vital key. ”

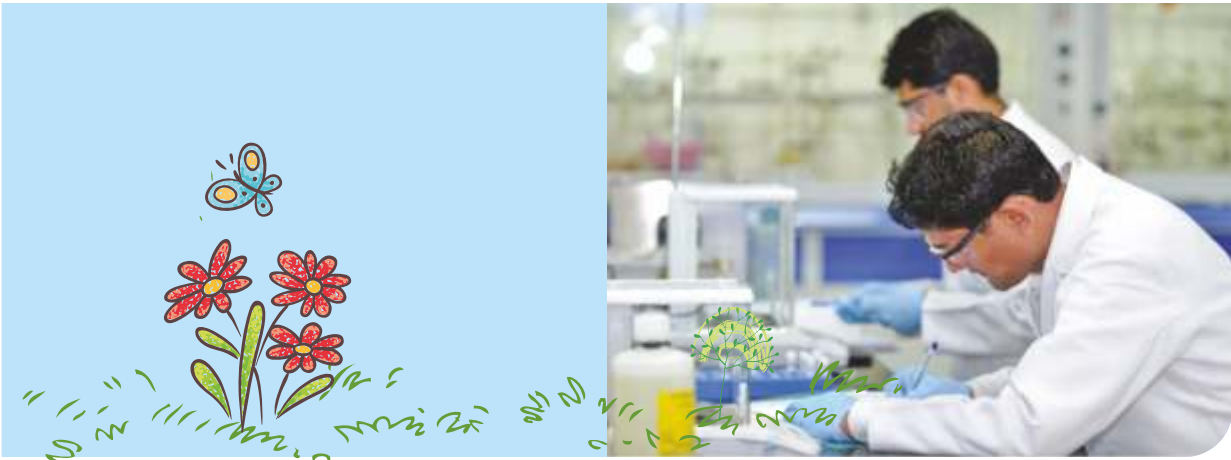
In 2014 the company had also established a new product invention centre in JV with Japanese company, OAT Agrio Co, Ltd. Your company initiated this revolutionary R&D centre aimed at inventing new agrochemical molecules for the first time in India. OAT & ILL India Laboratories Private Limited is a company formed by Joint Venture of OAT Agrio Company Limited, Japan and Insecticides (India) Limited. Located at Chopanki, Rajasthan, the centre is spread across 25,000 sq. ft. of working area with dedicated research facilities.

To assure that the centre has ultra modern hi-tech infrastructure, and smooth functioning, it is

exclusively divided in chemical and biological departments. The rich chemical laboratories confirm all the world class norms with latest instruments like NMR and Lab set by Kewaunee USA.

To acknowledge the expertise of the chemical wing for formulation and testing, the biological laboratory is equipped with modern green houses, plant growth chambers, breeding centers, spray cabinets, bio-assay rooms, etc.

Here a world class team of Indian and Japanese chemists and biologists synthesize and evaluate thousands of compounds every year.







## INTERNATIONAL BUSINESS

Foray into international business reaffirms the plans of the company to leverage the strength of entire value chain from research to manufacturing & marketing for overseas business. IIL has now formidable presence in the global market & has now established foot prints in markets of Africa, Middle East & Asian markets.

Your company leveraged its manufacturing strength by supplying both Active Ingredients & Formulations to overseas partners during FY 2015-16.

The Company is focusing more on registration activities & has appointed team of experienced professionals for handling regulatory compliances across the countries. IIL has tied up with reputed labs of global standards to meets stringent regulatory standards. Investment in registration has forged the way for strategic alliance with many partners across the world. Some of these alliances & partnerships will start generating the business during course of the year.

IIL has substantially invested on registrations; in -house product development, capacities and emphasized on building relationships for long term sustainable business.

The future export basket will include Active Ingredients, Formulation bulk and branded formulations and contracts for manufacturing through 100% EOU units. IIL will further enhance its presence by focusing on tailor made products for specialized crop segments.

More efforts are directed towards scaling global competitiveness; quick response to the market challenges & meeting the customer expectations for sustainable growth over long term basis.

“Our Vision is to make International business a key contributor to the overall revenue generation of IIL.”

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INTEGRATING THE ELEMENTS OF  
SUSTAINABLE GROWTH

STRONG BRAND PORTFOLIO

- Large kitty of generic brands - Tractor Brand as the Umbrella brand
- 99 branded formulations with Navratna brands featuring in the top 5 in respective categories
- Strategic brand acquisition of 'off the shelf brands' E.g. Lethal, Monocil, etc.
- Vigorous Promotion campaigns
- Training and Education to farmers

R&D AND NEW PRODUCT DEVELOPMENT CAPABILITIES

- R&D centre established in 2005 for reverse engineering of off patented products
- Developed 50 new processes, two process patent received, 7 process patent applications pending
- JV with OAT Agrio Co., Ltd., Japan for product discovery R&D centre

GLOBAL PARTNERSHIPS

- Tie-up with AMVAC, USA
- Tie-up with Nissan Chemical Industries Ltd., Japan

ROBUST MANUFACTURING FACILITIES AND DISTRIBUTION NETWORK

- 5 formulation and 2 technical manufacturing facilities in North and West India with advanced technology
- Pan India Network of 5,000+ distributors and 60,000 retailers



“Over the years, your company has emerged as an integrated business model adequately diversified to answer the challenges faced by crop growers. By collaborating with global brands and integrating operations across R&D, manufacturing, marketing and distribution of a wide range of formulations, technical and household pesticides, today IIL is catering national market as well as approaching international markets with strength.”





CULTIVATING GROWTH,  
RESPONSIBLY - IIL FOUNDATION



# हमारी फसल संतान हमारी इनकी सुरक्षा हमारी ज़िम्मेदारी



Educated and empowered people are a country's true strength. We at IIL, aspire to see children who are purposefully engaged, and farmer who is using the agro inputs judiciously. Two main projects: Kisan Jagrukta Abhiyan and Project Vidya reflect our concern towards it. Our CSR wing, IIL Foundation is confident of catalyzing sustainable living in every life it touches through various CSR programs.

PROJECT VIDYA

- Social welfare programmes for children in districts of Punjab, Rajasthan and Odhisa
- Adoption of village schools
- Distribution of books, study materials and stationeries to children
- Empowering people with dignity and respect by organising livelihood programmes

KISAN JAGRUKTA ABHIYAN

- Advancing the farmer awareness campaign 'Kisan Jagrukta Abhiyaan', an initiative aimed at educating farmers on crop protection and judicious use of agrochemicals
- Promoting the cultivation of 3rd crops like Green Gram to enhance soil fertility and generate extra income
- Organising special camps provide significant insights on application of agrochemicals





# IIL IN MEDIA



**Making farmers happy**

Rising population coupled with rapid urbanization has had a strong impact on farm production in India. According to a FICCI report, the average crop yields in India are much lower than global benchmarks. However, experts opine that India has all the resources necessary to meet its increasing needs and can have a handsome surplus if cultivation is effectively done using scientific techniques. Against this backdrop, Insecticides India Limited, an agrochemical company, has initiated programmes under its Corporate Social Responsibility activity to educate farmers about modern methods of farming. A *Bureaucracy Today* report.

By Soma Chakraborty

The lack of awareness among Indian farmers about modern methods of farming has resulted in a poor agricultural yield which in turn has made a large section of peasants economically backward. "Insecticides India Limited (IIL) wants to fulfil its responsibility towards farmers. Despite our farmers spending their whole lives feeding us, they remain marginalized from the mainstream. To bring the peasants out of this condition, the company has initiated various projects to improve agricultural standards and the lives of farmers across the country." IIL Managing Director Rajesh Aggarwal tells *Bureaucracy Today*.

**AWARENESS CAMPAIGN**

Offering a holistic approach to farm management, the IIL undertook a campaign named *Jagrakto Abhiyan*. "This campaign aims at making farmers aware about the benefits of agrochemicals. The IIL has helped farmers by connecting them with agro experts so that they may understand scientific agricultural techniques and procedures," Aggarwal says.

Over 10 lakh farmers pan-India, he claims, have benefited through the *Jagrakto Abhiyan*.

Another major campaign conducted by the IIL is known as *Kisan Jagrakto Abhiyan*. "This campaign is associated with improving the production of Green grams via crop rotation. Further, proper attention is



RAJESH AGGARWAL, MD, IIL

also paid to adopting ways and means which can improve the quality of the soil and crops," the IIL MD says.

Rotation is the practice of growing a series of different types of crops in the same crop area in sequential seasons. Crop rotation gives various nutrients to the soil. A traditional element of crop rotation is the replenishment of nitrogen through the use of green manure in sequence with cereals and other crops. Crop rotation also mitigates the build-up of pathogens and pests that often occur when one species is continuously cropped, and can also improve soil structure and fertility.

The company is also running a social media campaign, *Happy Farmers, Happy India*, via its facebook page where it discusses farmers' achievements and contribution to society. "This page aims to teach the urban population about predicaments faced by farmers and helps the peasants gain the much required respect," Aggarwal says.

**Insecticides (India) launches mobile app**

The mobile app will allow the users to get the latest information about the company's products, including the latest news, updates, and more. The app is available for download on the Google Play Store and the Apple App Store.

**एक लाख किसानों को प्रशिक्षित करेगा आईआईएस फाउंडेशन**

एक लाख किसानों को प्रशिक्षित करेगा आईआईएस फाउंडेशन। यह प्रशिक्षण कार्यक्रम किसानों को आधुनिक कृषि तकनीकों के बारे में जानकारी देगा और उनके उत्पादन को बढ़ावा देगा।

**Farm techniques must travel from lab to lands, say experts**

Experts say that farm techniques must travel from the lab to the lands. They say that farmers need to be educated about the latest farm techniques and how to use them effectively. This will help them to increase their yields and improve their livelihoods.

**ऐप से किसानों, दुकानदारों, वैद्यकों को उपकरण के बारे में जानकारी और प्रशिक्षण प्रदान करने में मदद करेगा**

ऐप से किसानों, दुकानदारों, वैद्यकों को उपकरण के बारे में जानकारी और प्रशिक्षण प्रदान करने में मदद करेगा। यह ऐप किसानों को आधुनिक कृषि तकनीकों के बारे में जानकारी देगा और उनके उत्पादन को बढ़ावा देगा।

**ऐप इंसेक्टिसाइड्स बताएगा खेत को क्या चाहिए**

ऐप इंसेक्टिसाइड्स बताएगा खेत को क्या चाहिए। यह ऐप किसानों को आधुनिक कृषि तकनीकों के बारे में जानकारी देगा और उनके उत्पादन को बढ़ावा देगा।

**Insecticides India's Mobile App**

Insecticides India has launched its mobile app, which is available for download on the Google Play Store and the Apple App Store. The app provides farmers with the latest information about the company's products, including the latest news, updates, and more. It also provides farmers with the latest information about the company's services, including the latest news, updates, and more.

**Feedback after the interview**

The interview was a success. The candidates were well-prepared and gave good answers to the questions. The interviewer was impressed with their knowledge and skills. The company is looking forward to meeting with the candidates again.

**Handling criticism with caution**

The company is handling criticism with caution. They are taking the feedback seriously and are working to improve their products and services. They are also taking steps to ensure that their customers are satisfied with their purchases.

**एशिया व अफ्रीका में निर्यात की तैयारी में इंसेक्टिसाइड्स**

इंसेक्टिसाइड्स एशिया व अफ्रीका में निर्यात की तैयारी में जुटा हुआ है। कंपनी अपने उत्पादों को इन क्षेत्रों में बेचना शुरू करेगी। यह कंपनी के लिए एक बड़ा अवसर है।

**खेती की वैज्ञानिक जानकारी से किसानों को मुनाफा**

खेती की वैज्ञानिक जानकारी से किसानों को मुनाफा मिलेगा। किसानों को आधुनिक कृषि तकनीकों के बारे में जानकारी देना और उनके उत्पादन को बढ़ावा देना।

**विदेशीकरण के प्रतिरोध**

विदेशीकरण के प्रतिरोध। किसानों को अपने उत्पादों को बेचना शुरू करेगा। यह कंपनी के लिए एक बड़ा अवसर है।

**Well on its way**

The company is well on its way to achieving its goals. They are making progress in all areas and are confident that they will reach their targets by the end of the year.

**Insecticides (India) to raise ₹150 cr**

Insecticides (India) is planning to raise ₹150 crore by issuing shares to the public. This will help the company to expand its operations and improve its products and services.

**इंसेक्टिसाइड्स तैयार नए उत्पाद**

इंसेक्टिसाइड्स तैयार नए उत्पाद। कंपनी अपने उत्पादों को इन क्षेत्रों में बेचना शुरू करेगी। यह कंपनी के लिए एक बड़ा अवसर है।

**Firm launches products to improve yield of crops**

The firm has launched a range of products to improve the yield of crops. These products are designed to help farmers to grow more crops and to improve the quality of their produce.

**फसलों के स्वास्थ्य की जानकारी दी**

फसलों के स्वास्थ्य की जानकारी दी। कंपनी अपने उत्पादों को इन क्षेत्रों में बेचना शुरू करेगी। यह कंपनी के लिए एक बड़ा अवसर है।

As an emerging premier company, IIL keeps on making waves on different platforms of media. The company's interaction with farmers and campaigns proves news makers for most of the time. IIL has made a strong presence on social platforms like Facebook as well, where it updates its every activity on daily basis. To empower the new age farmers, Insecticides (India) Limited has designed a Mobile App which works as an encyclopaedia on Tractor Brand range of products and their optimal use.

**NEWS FLASH**

मानवीय आधार पर मने संदेश भेजा गया

**PAK BORDERS FIRING**

PAK CONTINUES TO BREACH CEASEFIRE

**FRANCHISE INDIA**

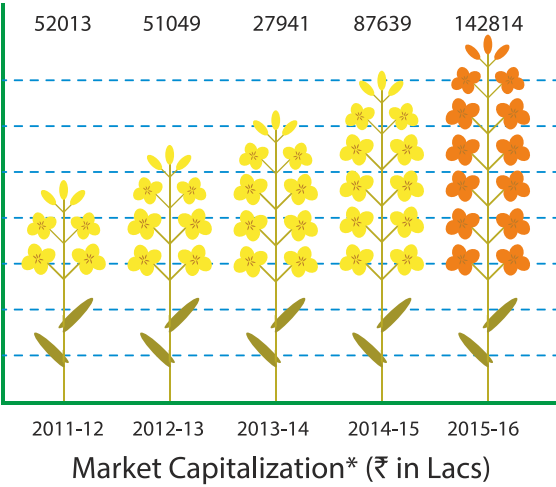
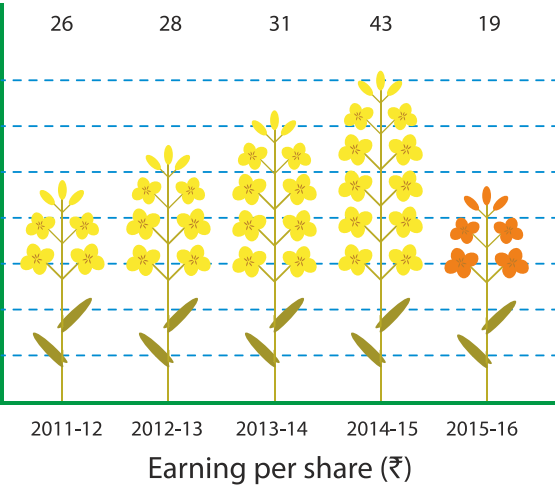
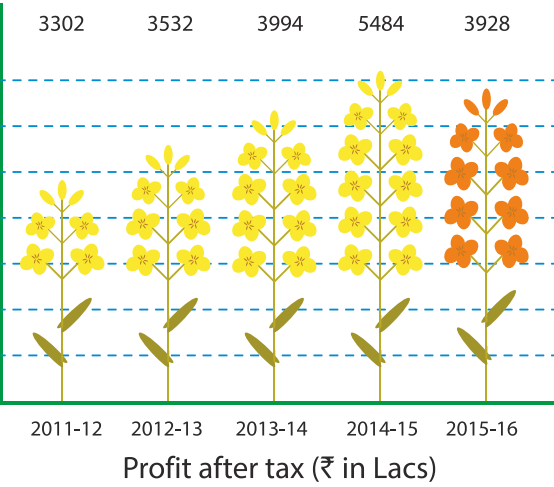
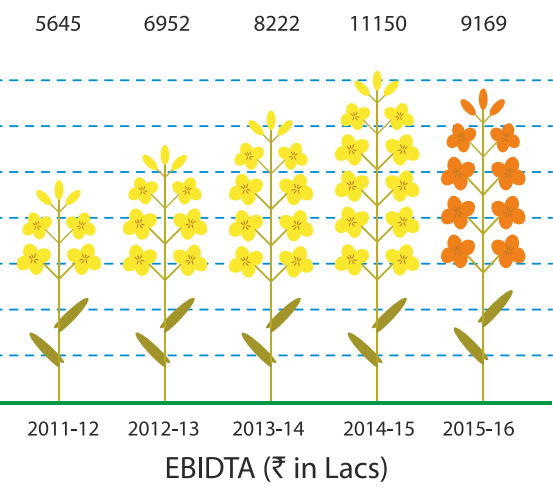
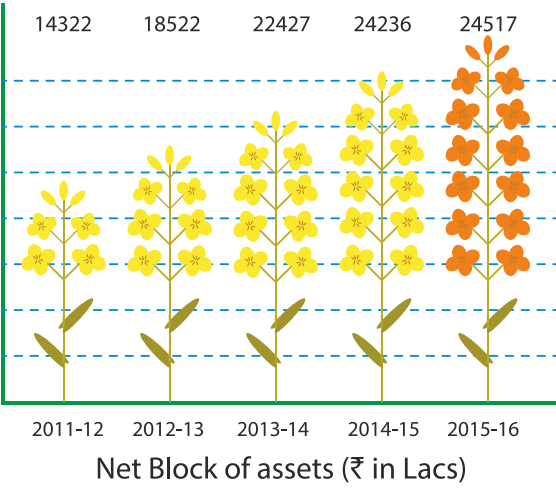
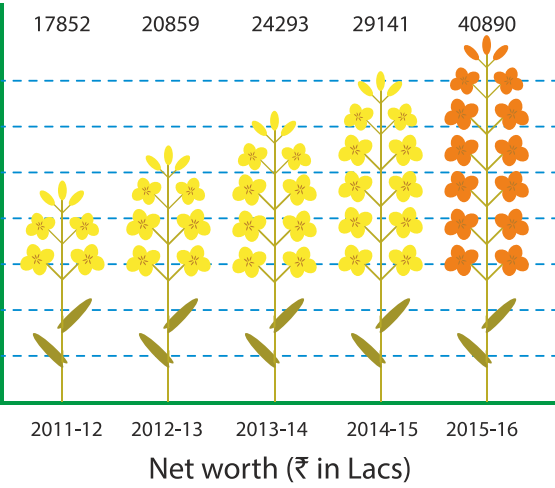
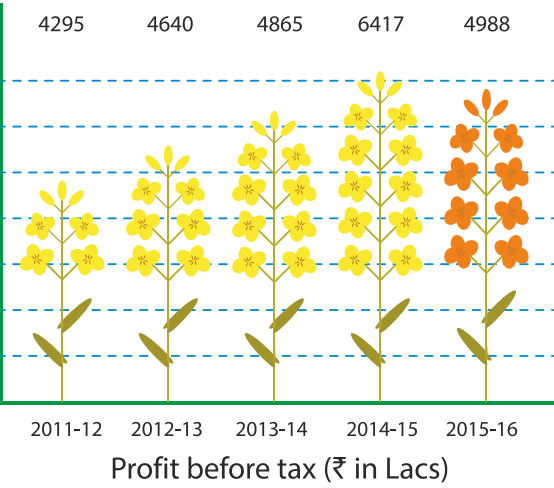
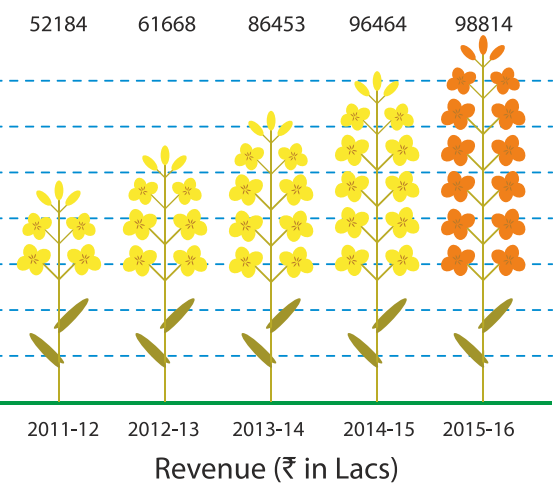
PAK CONTINUES TO BREACH CEASEFIRE

**PAK CONTINUES TO BREACH CEASEFIRE**

PAK CONTINUES TO BREACH CEASEFIRE



FINANCIAL  
TRIUMPHS





## IN SPOTLIGHT

**चौतरफा असर दिखाए पल्सर**

रीस बगडूर रोम का लफेल निरक्षण

बहियों में फुट एगो की संकेत में बढोती

प्राकृतिक घातक व अतिरिक्त मिट्टी का पुनर्वास

सफल व सुदृढ़ लहें

भारत में जादू जगाए

पल्सर का रीस बगडूर पर परीक्षण

मिट्टी, जलवायु का मिश्रण केवल पल्सर ही बनाएगा

**Pulsar**

insecticides | अब शक्ति आपके हाथ में

**हकामा का वार सबसे असरदार**

सोयाबीन में लकरी पत्तों की लकवाणताओं की निवारण की लिए

हकामा

insecticides

अब शक्ति आपके हाथ में

**जीत की गारंटी**

सफेद मक्खी मिटाए पैदावार बढ़ाए

insecticides

अब शक्ति आपके हाथ में

**Xप्लोड**

Emamectin Benzoate 5% SG

मिट्टी के सुब्ड़ियों का नामोनिशान

insecticides

अब शक्ति आपके हाथ में

**प्राइम गोल्ड**

बालों की बात ही कुछ और है

PRIME GOLD

insecticides

**MYCORAJA**

पौधों की वृद्धि का राजा माइकोराजा

- पत्ती और लम्बी जड़ों का विकास
- मिट्टी के रोगाणुओं से रक्षा
- ज्यादा संतुलित फसल
- बेहतर अवशोषण
- ज्यादा वृद्धि

insecticides

अब शक्ति आपके हाथ में

**Registered Office**

- New Delhi

**Manufacturing Locations**

- Chopanki
- Dahej
- Samba
- Udhampur

**R&D Center**

- Chopanki

**Branch Office/Depot**

- |               |             |                  |
|---------------|-------------|------------------|
| • Ahmedabad   | • Howrah    | • Ranchi         |
| • Bhatinda    | • Hyderabad | • Raipur         |
| • Bangalore   | • Indore    | • Sri Ganganagar |
| • Bhubaneswar | • Jalgaon   | • Sindhanur      |
| • Coimbatore  | • Jaipur    | • Siliguri       |
| • Ghaziabad   | • Karnal    | • Vijaywada      |
| • Gadarpur    | • Lucknow   |                  |
| • Guwahati    | • Ludhiana  |                  |
| • Hajipur     | • Nagpur    |                  |
| • Hisar       | • Pune      |                  |



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Hari Chand Aggarwal, Chairman  
 Mr. Rajesh Aggarwal, Managing Director  
 Mrs. Nikunj Aggarwal, Whole-time Director  
 Mr. Deepak Gupta, Director  
 Mr. Gopal Chandra Agarwal, Director  
 Mr. Jayaraman Swaminathan, Director  
 Mr. Navneet Goel, Director  
 Mr. Navin Shah, Director  
 Mr. Virjesh Kumar Gupta, Director  
 Mr. Vinod Kumar Mittal, Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Pankaj Gupta

### CHIEF FINANCIAL OFFICER

Mr. Sandeep Aggarwal

### AUDITORS

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

### INTERNAL AUDITORS

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

### COST AUDITORS

M/s. A.G.S. & Associates  
 Cost Accountants, Delhi

### BANKERS

Punjab National Bank  
 Citi Bank N.A.  
 Standard Chartered Bank  
 Yes Bank Ltd.  
 HDFC Bank Ltd.  
 The Hongkong and Shanghai Banking Corporation Ltd. (HSBC)  
 Indusind Bank Ltd.

### REGISTRAR & TRANSFER AGENT

Alankit Assignments Ltd.  
 Alankit House, 1E/13, Jhandewalan Extn.,  
 New Delhi - 110 055

### REGISTERED & CORPORATE OFFICE

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

CIN : L65991DL1996PLC083909

Website : www.insecticidesindia.com

E-mail Id : investor@insecticidesindia.com

### WORKS OFFICE

E - 442, RIICO Industrial Area,  
 Chopanki, (Bhiwadi) - 301 707 (Raj.)

E-443 - 444, RIICO Industrial Area,  
 Chopanki, (Bhiwadi) - 301 707 (Raj.)

E-439 - 440, RIICO Industrial Area,  
 Chopanki, (Bhiwadi) - 301 707 (Raj.)

SIDCO, Industrial Growth Centre,  
 Post & Dist. Samba - 184 121 (J&K)

IID Centre, Battal Ballian, Udhampur - 182 101 (J&K)

Ch-21, GIDC Industrial Estate, Dahej,  
 Dist. Bharuch - 392130 (Gujarat)

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## MANAGEMENT DISCUSSION AND ANALYSIS

### INDIAN ECONOMY

The outlook for the Indian economy and its core sectors was upbeat at the beginning of the financial year, with the government embarking on large-scale policy reforms and promising to deliver strong economic growth. While this positive mood continues the appearance of several roadblocks on the domestic front and a demand slowdown globally and in emerging markets have forced sectoral players to rethink their short- and long-term strategy.

Despite the situation outlined above, figures for the next couple of years are encouraging. India has been declared a bright spot in the landscape of global economic development by both the World Bank and International Monetary Fund (IMF). The World Bank has projected growth in India at 7.8% in 2016–17 and at 7.9% in 2017–18, recognising the progress the country made with infrastructure improvement and the government's endeavours to boost investments, particularly in roads, railways and urban infrastructure.

Meanwhile, IMF has kept its growth forecast for India unchanged at 7.5% in 2016–17. IMF too attributed growth to recent policy reforms and a consequent pickup in investment, in spite of lower commodity prices. In comparison, the World Bank's latest Global Economic Prospect report projected growth in China at a modest 6.7% in 2016.

In the last year, the government has started to recognise and address the challenges faced by the sector through various initiatives. One such initiative, *Make in India*, aims to provide global recognition to the Indian economy, facilitate investment and build best-in-class manufacturing infrastructure. It emphasises the need for production in India, either by Indian companies or MNCs.

#### *India versus the global economy*

While the outlook for the global economy was not optimistic, it was relatively more positive about the Indian economy. Global growth slowed to 2.4% and is projected to remain below 3% in 2016, reflecting a slower pace than that envisioned. This trend is driven by a modest recovery in advanced economies and a more protracted slowdown across large emerging markets, including China. (Source : FICCI Report Feb 2016)

### INDUSTRY OVERVIEW – AGRICULTURE

*Indian agriculture, is in a way, a victim of its own past success—especially the green revolution. It has become cereal-centric and as a result, regionally-biased and input-intensive (land, water, and fertiliser). Rapid industrialization and climate change are raising the scarcity value of land and water, respectively. Evolving dietary patterns are favoring greater protein consumption.*

*To adapt to these changes, agriculture requires a new paradigm with the following components: increasing productivity by getting “more from less” especially in relation to water via micro irrigation; prioritizing the cultivation of less water-intensive crops, especially pulses and oil-seeds, supported by a favorable Minimum Support Price (MSP) regime that incorporates the full social benefits of producing such crops and backed by a strengthened procurement system; and re-invigorating agricultural research and extension in these crops. Finally, we provide evidence of deep segmentation in Indian agricultural markets which, if remedied, would create one Indian agricultural market and boost farmers' income.*

(Source Economic survey 2015-16)

A UN study on global population trends predicts that India will surpass China to become the most populous nation in the world by 2022. India currently supports nearly 17.84% of the world population, with 2.4% land resources and 4.0 % of water resources. It is also noted that about 15-25% potential crop production is lost due to insect pests, weeds and diseases. Keeping pace with the growing population and their changing demand for quality food, the country will need to raise quantity and quality of agricultural production to ensure food and nutrition security of the nation.

India today imports substantial quantities of pulses and oilseeds on a regular basis and sugar and other products from time to time. We can ill afford to do such imports longer term – we must become 'swadeshi' or self-sufficient and be the net exporters thereby ensuring farmers welfare on a longer term sustainable basis.

Crop protection is not just about crop protection chemicals to manage pests – we must have holistic, environmentally safe “crop protection & crop health solutions” for overall wellbeing of Indian agriculture and millions of our farmers.

### CHALLENGES FOR AGRICULTURE IN INDIA

#### **High monsoon dependency:**

Indian agriculture is heavily dependent on monsoon. Poor rains could potentially hurt the agricultural output and lead to food inflation. In India, rainfall is the primary source of water, three-fifths of land under cultivation is watered only by rainfall; therefore the agriculture in India is often held hostage to the vagaries of rainfall. Heavy reliance on rainfall, underscored by dim prospects will continue to hamper productivity and disrupt yields.

#### **Unpredictable weather patterns:**

Across the globe, changing weather patterns are a major concern not only affecting crop productivity but also impacting lives of the farmers. India has also experienced delayed monsoon and severe drought like conditions in several regions



of the country for the past two years which has resulted in low agricultural output in those regions. On the other hand, unseasonal rains in some parts of the country like in South India affect crop schedules or cause mass destruction and spoilage of crops. This has had a negative impact on crops like rice, wheat and also horticultural produce.

#### **Reduction in arable land:**

As per Indian agriculture census 2010-11, per capita arable land availability in India has consistently declined from ~0.34 ha in 1950s to ~0.15 ha in 2000s. With rising population it is further expected to reduce to ~ 0.07 ha by 2030.

#### **Decreasing farm sizes:**

As per Indian agriculture census 2010-11, the average size of operational holding in India has declined from 1.23 ha in 2005-06 to 1.16 ha in 2010-11. The 2011 Census of India indicates that 85% of farms are less than two hectares in size. While the average size of landholding is decreasing the number of operational holdings is increasing leading to poor harvest and low incomes for the farmers.

#### **Increasing pest attacks:**

The total number of pests attacking major crops has increased significantly from 1940s. For instance, the number of pests which are harmful for crops such as rice has increased from 10 to 17 whereas for wheat have increased from 2 to 19 respectively. The increased damage to crops from pests and subsequent losses poses a serious threat to food security and further underscores the importance of agrochemicals. The most recent example is the large scale whitefly infestation of Bt cotton crop in North India last year. Due to this, cotton area in Punjab & Haryana has declined by 27% to 7.56 lakh hectares in this year (FY 17 crop year) as farmers shifted to other crops after incurring huge losses owing to whitefly pest attack.

#### **Low per hectare yield:**

As per World Bank statistics for FY14, per hectare yield in India is amongst the lowest. Yields in India stand at 3 tons/ha compared to the global average of 4 tons/ha. Developed countries like USA (7), UK (7), France (7.5) and Germany (7) are able to achieve higher per hectare yields than India due to better farming practices.

### **AGROCHEMICAL SECTOR – AN OVERVIEW**

India is the fourth largest global producer of agrochemicals after the US, Japan and China. This segment generated a value of USD 4.4 billion in FY15 and is expected to grow at 7.5% per annum to reach USD 6.3 billion by FY20. Approximately 50% of the demand comes from domestic consumers and the rest from exports. During the same period, the domestic demand is expected to grow at 6.5% per annum and exports at 9% per annum.

FY15 has been a challenging year for crop protection chemicals market in India as well as throughout the world. Weak rainfall/ droughts, severe decline in the commodity prices, and currency devaluation in several countries have affected the growth of crop protection chemicals market. The impact of these factors is likely to weigh on the sector for few more years. Indian agrochemicals market will be driven by growth in herbicides and fungicides, increasing awareness towards judicious use of agrochemicals, contract manufacturing and export opportunities.

At present, per hectare consumption of pesticides in India is amongst the lowest in the world and stands at 0.6 kg/ha against 5-7 kg/ha in the UK and ~ 13 kg/ha in China. With the increase in awareness and market penetration, consumption is likely to improve in the near future. Still there are challenges like non genuine products, low focus on R&D by domestic manufacturers, inefficiencies in the supply chain etc. which need to be addressed on priority.

In addition to the use of crop protection chemicals, Indian agriculture needs to focus on specific solutions to enhance crop productivity. It is imperative for us to adopt efficient agronomy practices, fertigation, seed treatment, biotechnology and plasticulture to reduce wastage and attain selfsufficiency in agricultural output. Integrated pest management is one of the most effective and sustainable ways of tackling the issue of pests and diseases in Indian agriculture.

Many organizations and start-ups in the agriculture domain are working towards addressing the issues faced by Indian agriculture. Government of India is proactively working towards addressing the unmet needs of the farmers across the agri-value chain through multiple initiatives like Soil Health card scheme, Paramparagat Krishi Vikas Yojana, National e-Governance Plan (NeGP), m-Kisan etc.

This year, monsoon in India is predicted to be better. This should help recover farm and related economic growth. El Nino effects are gradually fading in India and paving way for La Nina, which would be inductive to more rains and consequently increased farm production. This will translate into a better demand for crop protection chemicals. Input prices for crop protection chemical companies are likely to remain subdued in the near future which will impact selling prices for farmers. Due to this, while the market could grow in volume terms, but in value terms, growth would be moderate.

The long term drivers like increasing population, current low capita consumption of pesticides, decreasing arable land, focus on productivity and increasing purchasing power would continue to remain intact and will drive the global crop protection market.

The Indian crop protection market is dominated by Insecticides, which form almost 60% of domestic crop protection chemicals market. The major applications are found in rice and cotton crops. Fungicides and Herbicides are the largest



growing segments accounting for 18% and 16% respectively of total crop protection chemicals market respectively. As the weeds grow in damp and warm weather and die in cold seasons, the sale of herbicides is seasonal. Rice and wheat crops are the major application areas for herbicides. Increasing labor costs and labor shortage are key growth drivers for herbicides.

The fungicides find application in fruits, vegetables and rice. The key growth drivers for fungicides include a shift in agriculture from cash crops to fruits and vegetables and government support for exports of fruits and vegetables. Bio-pesticides include all biological materials organisms, which can be used to control pests. Currently bio-pesticides constitute only 3% of Indian crop protection market; however there are significant growth opportunities for this product segment due to increasing concerns of safety and toxicity of pesticides, stringent regulations and government support.

## **OPPORTUNITIES AND KEY GROWTH DRIVERS FOR INDIAN CROP PROTECTION MARKET**

### **Contract Manufacturing and Export Opportunities:**

The export of pesticides from India has seen a strong growth over the last few years. Globally, India is the thirteenth largest exporter of pesticides. Most of the exports are off-patent products. The major exports from India happen to Brazil, USA, France and Netherlands. The key growth drivers are India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price realization globally and strong presence in generic pesticide manufacturing (India has process technologies for more than 60 generic molecules). Due to the reasons mentioned above, India offers good scope for contract manufacturing as well.

Post tsunami, Japanese companies are trying to build manufacturing capacities outside Japan to de-risk themselves. The Japanese companies are very particular about confidentiality and intellectual property protection and some of them have seen opportunity in India and are now creating a base here. The recent deal between Sumitomo and Excel Crop Care is a recent example. More such deals are possible in the coming years as it will give Indian companies the access to technology which they need and the global MNC's a fast track entry into the country.

Agrochemicals worth USD 4.1 billion are expected to go off-patent by 2020. This provides significant export opportunities for Indian companies which have expertise in generic segment. Top 6 importing nations constitute only 44% of India's agrochemical exports. This also indicates export potential for Indian companies. In order to build a strong export base, companies could set up marketing offices in association with domestic players in export geographies. Companies could also look for strategic alliances with local companies to expand their marketing and distribution reach. Merger and acquisition opportunities could also be explored to increase their global presence.

### **Growth in herbicides and fungicides:**

Labor shortage, rising labor costs and growth in GM crops has led to growth in the use of herbicides. The herbicide consumption in India stands at 0.4 USD billion in FY15 and is expected to grow at a CAGR of 15% over the next five years to reach ~0.8USD billion by FY20. On the other hand the fungicide industry in India has grown due to the growth in Indian horticulture industry, which has grown at a CAGR of 7.5% over the last five years.

### **Low consumption of pesticides in India:**

The per hectare consumption of pesticides in India is amongst the lowest in the world and currently stands at 0.6 kg/ha against 5-7 kg/ha in the UK and at almost 20 times ~ 13 kg/ha in China. In order to increase yield and ensure food security for its enormous population agrochemicals penetration in India is bound to go up.

The other major growth drivers for agrochemicals are-

- Formation of Farmer Producer Organizations (FPOs) to counter the difficulties faced due to land fragmentation
- Availability and dissemination of appropriate technologies that depend on quality of research and extent of skill development
- Plan expenditure on agriculture and in infrastructure which together with policy must aim to improve functioning of markets and more efficient use of natural resources
- Governance in terms of institutions that make possible better delivery of services like credit, animal health and of quality inputs like seeds, fertilizers, pesticides and farm machinery.

## **CHALLENGES FACED BY THE INDIAN CROP PROTECTION INDUSTRY**

### **Stringent regulations:**

Stringent environmental regulations across the world are increasing the cost of developing new products and simultaneously delaying the introduction of new products in the market. For instance, in the European Union any agrochemical product if found to be mutagenic, carcinogenic or classified as an endocrine disruptor would not achieve registration or re-registration irrespective of the level of exposure generated.

### **Low focus on R&D by domestic manufacturers:**

R&D for novel molecule discovery requires huge capital and manpower investments. Indian Companies spend only 1-2% of their revenues in Research and Development as against the global MNCs which invest about 8-10% of their revenues. This makes Indian manufacturers uncompetitive globally in specialty molecules.



**Lack of education and awareness among farmers:** It is important to educate the farmers about the appropriate kind of pesticide, its dosage and quantity and application frequency. However it is not easy to reach the farmers owing to differences in regional languages and dialects and a general inertia towards adoption of newer products on account of possible risks of crop failure.

**Need for efficient distribution systems:**

The large number of end users and the predominantly generic nature of the market make it essential to have a strong and efficient distribution network for the crop protection market. However, the industry has been plagued by problems arising out of supply chain inefficiencies and inadequate infrastructure which result in postharvest losses estimated at INR 45,000 crore every year. Lack of efficient distribution system also makes it difficult for agrochemical companies to reach out to the farmers and promote their products and educate them about their benefits.

**Non-genuine products:**

There is a significant share of non-genuine pesticides which include counterfeit, spurious, adulterated or sub-standard products. According to industry estimates the non-genuine pesticides could account for more than 40% of the pesticides sold in India in FY14. These products are inferior formulations which are unable to kill the pests or kill them efficiently. They also result in by-products which may significantly harm the soil and environment. Apart from crop loss and damage to soil fertility, use of non-genuine products leads to loss of revenue to farmers, agrochemical companies and government. Some of the key reasons for use of non-genuine products are lack of awareness amongst the farmers, difficulty in differentiating between genuine and non-genuine products, supply chain inefficiencies, law enforcement challenges and influencing power of distributors/retailers.

**COMPANY OVERVIEW**

Insecticides (India) Limited (IIL) is today amongst the leading agrochemicals companies in India. With a strong product portfolio and a pan India presence, we are among the few companies in the country to have a complete integrated portfolio. Insecticides (India) Limited is today a fully integrated company with R&D capabilities, Technical synthesis, large formulation facilities, edge to edge product portfolio, leading brands in the kitty, global tie ups and strong distribution network, which helps the company to reach the farmers in all the parts of the country. Our product basket consists of formulations, technicals and household products. With an increasing market share, our brands are fast emerging as most trusted crop protection tools in the Indian agriculture sector. We have entered into strategic partnerships and joint ventures with global agrochemicals players for licensing, marketing and distributor agreements. Over the years, we have also established a strong distribution network, spread across the country with more than 5000 distributors and 60000 retailers.

**Business Highlights**

While the macro economic factors remained subdued and volatile, we performed quite well during the year under review. Focus was on working towards the value addition in terms of the leading Navratna range contributing maximum to the top line as well as the bottom line. Though there were no new launches, but the consolidation of the products in the market took place, which helped to increase the market share. R&D also worked significantly and gave some edge making products, that are slated to be launched next year, as the registration was also expected soon.

**FINANCIAL ANALYSIS**

**Analysis of the Profit and Loss**

**Financial Snapshot**

	(₹ In Lacs)	
	2015-16	2014-15
<b>Total Income</b>	<b>104846.33</b>	103176.99
<b>Net Sales</b>	<b>98814.53</b>	96419.15
<b>EBIDTA</b>	<b>9168.72</b>	11149.36
<b>PAT</b>	<b>3928.55</b>	5484.38

**INCOME ANALYSIS**

**Total Income**

The total income of the Company (income from operating and non-operating income) increased 2% from ₹ 103176.99 Lacs in 2014-15 to ₹ 104846.33 Lacs in 2015-16.

**Income from operating activities**

The operating income of the Company comprising net sales increased 2% from ₹ 96419.15 Lacs in 2014-15 to ₹ 98814.53 Lacs in 2015-16, owing to an increase in sales.

**Margin**

	(In percentage)	
	2015-16	2014-15
<b>EBIDTA margin</b>	<b>9.28</b>	11.56
<b>Net profit margin</b>	<b>3.98</b>	5.69



The Company's EBIDTA and PAT margins decreased 228 and 171 basis points respectively backed by an increase in sales. The increase in margins was primarily because of an enhanced operational efficiency compared with last year.

### Cost analysis

The total expenditure of the Company increased 4.26% from ₹ 90045.83 Lacs in 2014-15 to ₹ 93881.79 Lacs in 2015-16

### Cost Components

(₹ In Lacs)				
Costs	2015-16	% of total cost	2014-15	% of total cost
Operating expenses	89701.42	95.55	85313.32	94.75
Financial expenses	2587.83	2.75	3315.69	3.68
Non-cash expenses	1592.54	1.70	1416.82	1.57
<b>Total</b>	<b>93881.79</b>	<b>100.00</b>	<b>90045.83</b>	<b>100.00</b>

### Operating expenses

Total operating expenses increased 5.14% from ₹ 85313.32 Lacs in 2014-15 to ₹ 89701.42 Lacs in 2015-16. The primary items in the operating expenses comprised:

*Raw material costs:* The cost of raw materials consumed decreased 12.06 % from ₹ 67963.68 Lacs in 2014-15 to ₹ 59767.25 Lacs in 2015-16, owing to an increase in the quantity of production along with a rise in the price of the raw materials. The raw material consumption, as a percentage of gross sales, decreased from 65.90% in 2014-15 to 57.03% in 2015-16.

*Manufacturing expenses:* The Company's manufacturing expenses increased 1% from ₹ 4944.77 Lacs in 2014-15 to ₹ 4993.73 Lacs in 2015-16. The primary reasons for growth in the manufacturing costs are:

- Decrease in power and fuel costs by 18.46% from ₹ 1409.74 Lacs in 2014-15 to ₹ 1149.45 Lacs in 2015-16, owing to increased production and an increase in power and fuel charges.
- Increase in employee costs by 13.31% from ₹ 1198.43 Lacs in 2014-15 to ₹ 1357.94 Lacs in 2015-16.

### Financial Expenses

Total financial expenses comprising interest and financial expenses decreased 21.95% from ₹ 3315.69 Lacs in 2014-15 to ₹ 2587.83 Lacs in 2015-16.

## ANALYSIS OF THE BALANCE SHEET

### Sources of Funds

### Analysis of Capital Employed

Segment	2015-16		2014-15	
	(₹ In Lacs)	% of total capital employed	(₹ In Lacs)	% of total capital employed
Share capital	2066.78	3.41	1268.30	2.11
Reserves and surplus	38822.97	64.04	27872.85	46.33
<b>Net worth</b>	<b>40889.75</b>	<b>67.45</b>	<b>29141.15</b>	<b>48.44</b>
Loan funds	17978.69	29.66	29460.77	48.97
Deferred tax liability	1755.20	2.89	1556.92	2.59
<b>Capital employed</b>	<b>60623.64</b>	<b>100.00</b>	<b>60158.84</b>	<b>100.00</b>

### Capital Employed

The total capital employed by the Company increased 0.77% from ₹ 60158.84 Lacs as on March 31, 2015 to ₹ 60623.64 Lacs as on March 31, 2016, following an increase in reserves and surplus.

### Net Worth

The Company's networth as a proportion of total capital employed increased from 67.45% as on March 31, 2016.

*Share capital:* During the year, the Company's equity share capital has changed from ₹ 1268.30 Lacs to ₹ 2066.78 Lacs.

*Reserve and surplus:* Reserves and surplus increased 39.29% from ₹ 27872.85 Lacs as on March 31, 2015 to ₹ 38822.97 Lacs as on March 31, 2016 – through a ploughback of operational profit.

## RISK MANAGEMENT

Risks and its effect are possible events or possibilities that have could have an impact on the Company's performance or results. IIL analyses business risks followed by a detailed mitigating approach.

### The Company may not be able to capitalize on growing business opportunities

*Mitigation:* The Company enjoys enduring relationships with farmers across the country's major crop growing areas. With problems like less rainfall and labour issues, agriculture productivity is a major issue. The Company is present with a



comprehensive product range supported by multiple manufacturing facilities. The Company's manufacturing facilities are proximate to agriculture growing regions of the country, providing quick access from factory to farm.

#### **Volatile raw material costs could affect the bottom-line**

*Mitigation:* The Company enters into short and long term contracts to reduce the impact of price volatility. Its proximity to raw material (being close to ports) and multi-vendor support has helped reduce costs.

#### **Quality aberrations could affect revenues**

*Mitigation:* The Company is consistently committed to continuous quality checks. Its plants are certified across safety and environment certifications. It received quality approvals from international bodies.

#### **Obsolete technology could affect product quality**

*Mitigation:* The Company invested in specialized imported equipment for its core products. In addition, the Company has invested in more than 200 crore in the last five years for capacity expansion, with state-of-the-art technologies across its multiple manufacturing facilities. It is one of the few in the world to have a dedicated R&D unit for new product development. The R&D unit is equipped with modern machineries support the team for developing future products.

### **INTERNAL CONTROL SYSTEM**

The Company follows an adequate and systematic internal control system, which ensures a smooth operation throughout. The assets are well protected with all security arrangements. All transactions pass through specified hierarchy and a strict discipline is maintained in the recording of the same. The internal audit committee has been formulated, which takes care of audit and compliances being met. Apart from the in-house team, M/S Devesh Parekh & Co. Chartered Accountants are engaged by the Company to ensure compliance of all statutory regulations. The Enterprise Risk Management framework and Managing Director and CFO (Chief Financial Officer) certification as required under SEBI Listing Agreement with Stock Exchanges for controls testing pertaining to financial reporting, resulted in continuing improvement in internal control.

### **HUMAN RESOURCES**

The Company considers its employees as its main assets. The employees are evaluated and reviewed on Key Result Areas (KRAs) to assess the skills and plan for their future growth under MDP. Training needs are identified to meet individual requirements through in-house training, on-the-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 currently has 981 member team across its facilities and offices.

### **RESEARCH AND DEVELOPMENT**

Insecticides (India) Ltd. has been directing its focus on Research and Development for development of more technicals. Being one of the few companies engaged into formulations and technicals, it is investing into R&D to rigorous extent at present. With the new R&D unit, established in JV with Japanese company already operational, the Company is optimistic to produce new products which would help the company achieve new heights of success and partner the growth of the agriculture sector. The Company's QC labs are NABL accredited, which has dedicated professional scientist who carry out a wide range of chemical reactions with an analytical support of GC, HPLC, GC Mass, AAS, UV and Infrared Spectrophotometer etc.

### **ENVIRONMENT, SAFETY AND HEALTH PARAMETERS**

The Company has been following a stringent policy for implementing an Environmental management System (EMS) for meeting the purpose of organization's policy and objectives regarding environment. 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 18001:2007 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 SOCIAL RESPONSIBILITY**

With the set-up of IIL foundation, we have strengthened in achieving inclusive growth for society at large. In order to achieve overall sustainability, the Company conducts several responsible activities. During the year under review, the Company started social welfare program by the name of "Project Vidhya" The activity involves distribution of books and study material to children empowering them towards leading a better life. Similar campaign was launched by the name of "Kisan Jagruta Abhiyan" Where farmers of the several districts in most of the states were educated for the new technology and the safe and judicious use of agro chemicals. With more than 5500 such meetings held with lacs of farmers in the guidance of the experts and the scientists from the various agriculture universities.



## DIRECTORS' REPORT

Dear Members,

Your Directors are delighted in presenting the Nineteenth Annual Report and the Audited Accounts for the financial year ended March 31, 2016.

### 1. FINANCIAL RESULTS

(₹ In Lacs)

Particulars	Standalone	
	Current Year ending March 31, 2016	Previous Year ending March 31, 2015
Revenue from Operations (Net) and other income	98870.14	96462.68
Depreciation	1592.54	1416.82
Expenditure	92289.25	88629.01
<b>Profit Before Tax (PBT)</b>	<b>4988.35</b>	6416.85
Provision for Tax	1059.80	932.47
<b>Profit After Tax (PAT)</b>	<b>3928.55</b>	5484.39
Balance brought forward from previous year	22323.89	18114.26
Profit available for Appropriations	26252.44	23598.64
<b>Appropriations:</b>		
Interim dividend on equity shares	413.35	-
Proposed final equity dividend	-	475.61
Tax on interim dividend	84.16	-
Tax on proposed equity dividend	-	96.82
Transfer to general reserve	485.13	641.69
Adjustment of pre-operative exp.	-	60.63

### 2. STATEMENT OF COMPANY AFFAIRS

During the year under review, the Net Turnover of the Company rose to ₹ 98814.53 Lacs as against ₹96419.15 Lacs reported last year, registering a growth of 2%. The Company has earned Net Profit ₹ 3928.55 Lacs, as against the net profit of ₹ 5484.39 Lacs reported last year. 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. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the Financial Year 2015-16 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and Regulations as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Consolidated Financial Statements have been prepared on the basis of the audited financial statements of the Company and its Joint Venture Company, as approved by their respective Board of Directors.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and the Auditor's Report thereon form part of this Annual Report. The Financial Statements as stated above are also available on the website [www.insecticidesindia.com](http://www.insecticidesindia.com) of the Company.

### 4. EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of Annual Return of the Company is annexed herewith as Annexure IX to this Report.

## 5. DIVIDEND

During the financial year 2015-16, the Board of Directors declared the interim dividend of ₹ 2 (20%) per equity share at its meeting held on March 14, 2016. Total amount of interim dividend outgo of ₹ 497.51 Lacs (including Corporate Dividend Tax amounting to ₹ 84.16 Lacs).

## 6. DEPOSITS

During the financial year, the Company has not accepted any deposits from the public under Sections 73 and 74 of the Companies Act, 2013 along with the rules made thereunder during the year under review.

## 7. TRANSFER TO RESERVE

During the year, amount of ₹ 485.13 Lacs has transferred to General Reserve.

## 8. 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.

## 9. SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY

There is no subsidiary company (ies) of the Company during the year under review.

The Company has "OAT & IIL India Laboratories Private Limited" as its joint venture company within the meaning of Section 2(6) of the Companies Act, 2013, as on March 31, 2016. Also, the Company has "Isec Organics Limited" as its associate company.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided as Annexure III and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <http://www.insecticidesindia.com/Policy/RELATED%20PARTY%20TRANSACTION%20FINAL.pdf>

## 10. DIRECTORS

The Board comprises of 10 (Ten) Directors. In compliance of the Companies Act, 2013 and in pursuant to Regulations of SEBI Listing Regulations, the Company had appointed, Mr. Vinod Kumar Mittal and Mr. Jayaraman Swaminathan as an Additional Directors in category of Independent Directors with effect from February 10, 2016 to hold office up to forthcoming Annual General Meeting.

The Company has received declarations from all Additional Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Regulation of SEBI Listing Regulations.

The Board of Directors recommends to appointment of Mr. Vinod Kumar Mittal, Mr. Jayaraman Swaminathan and Mr. Deepak Gupta as an Independent Directors of the Company in the Annual General Meeting.

Further, Mr. Hari Chand Aggarwal, retires at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. We seek your support in confirming his re-appointment as Director.

\*Mr. Deepak Gupta has appointed as an Additional Director in category of Independent Directors with effect from April 30, 2016 to hold office up to forthcoming Annual General Meeting.

\* Mr. Anil Kumar Singh has resigned from the office of Independent Director with effect from July 12, 2016.

## 11. NUMBER OF BOARD MEETINGS

During the financial year 2015-16, the Board of Directors met 9 (Nine) times, the details of which are given in the Corporate Governance Report that forms the part of Annual Report. The notice along with Agenda of each Board Meeting was given in writing to each Director. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

## 12. AUDIT COMMITTEE

### Composition of Audit Committee

The composition of Audit Committee is given in the table as mentioned below:-



Sl. No.	Name of the Director	Designation	Total meeting held during the years	Meetings attended
1.	Mr. Gopal Chandra Agarwal	Chairman	7	6
2.	Mr. Navneet Goel	Member	7	6
3.	Mr. Anil Kumar Singh	Member	7	6
4.	Mr. Vinod Kumar Mittal	Chairman	7	1
5.	Mr. Jayaraman Swaminathan	Member	7	1
6.	Mr. Virjesh Kumar Gupta	Member	7	1

**Note:** During the year, the Audit Committee has changed, with effect from February 10, 2016, the current composition of Audit Committee constitutes Mr. Vinod Kumar Mittal (Chairman), Mr. Jayaraman Swaminathan and Mr. Virjesh Kumar Gupta as Members. Till February 9, 2016, the Committee comprises of Mr. Gopal Chandra Agarwal (Chairman), Mr. Navneet Goel and Mr. Anil Kumar Singh as Members.

Also, a detailed note on the Board and its committees is provided in the Report on Corporate Governance which forms the part of Annual Report. The composition of the committees and compliances, are as per the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

### 13. BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Agreements /Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Finance Committee and Corporate Social Responsibility Committee.

Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. [www.insecticidesindia.com](http://www.insecticidesindia.com). Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report. A detailed report on Corporate Social Responsibility activities initiated by the Company during the year under review, in compliance with the requirements of Companies Act, 2013, is annexed to this report.

### 14. VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting unethical behaviour, fraud, violations, or bribery. The Company has Vigil Mechanism (Whistle Blower) Policy under which the employees are free to report violations of applicable Laws and Regulations and the Code of Conduct, the same can be accessed through the Chairman of the Audit Committee. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

### 15. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis.
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

In terms of the requirement of Accounting Standards, Segment-wise Results are shown in the Notes to Accounts.

## **16. NOMINATION AND REMUNERATION POLICY**

The Company affirms remuneration is as per the remuneration policy of the Company. The Remuneration policy is annexed herewith as Annexure VII to this Report

## **17. PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

During the year under review, the Company has not made any loan, given any guarantee or provided security in connection with the loan to any other body corporate or person. However, the Company has invested in equity shares of OAT & IIL India Laboratories Private Limited, the said company is the joint venture of your company w.e.f March 6, 2013 and also invested in the shares of OATagrico Co. Ltd., Japan, a joint venture partner company.

## **18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of the business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions, Details of such particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form AOC-2 as attached as an Annexure IV.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <http://www.insecticidesindia.com/Policy/RELATED%20PARTY%20TRANSACTION%20FINAL.pdf>

## **19. MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## **20. UNCLAIMED DIVIDEND**

During the year under review, in terms of provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend declared by the Company for financial year 2007-08, aggregating to Rs.63193/- was transferred to Investors Education and Protection Fund.

## **21. EQUITY BONUS SHARES**

During the year, the Company had issued and allotted 6341483 Equity Shares as Bonus Shares to existing shareholders on April 25, 2015 in the ratio of 2:1 and the shares got listed with BSE Limited and National Stock Exchange Limited on May 8, 2015.

## **22. QUALIFIED INSTITUTIONAL PLACEMENT (QIP)**

During the year, the Company had further issued and allotted 1643347 Equity Shares to Qualified Institutional Buyers under Qualified Institutional Placement (QIP) on August 17, 2015 and the shares got listed with BSE Limited and National Stock Exchange Limited on August 20, 2015. The funds has been used to objects of the issue.

## **23. KEY MANAGERIAL PERSONNEL**

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) of the Companies Act, 2013 read with the Rules framed there under.

1. Mr. Rajesh Aggarwal - Managing Director
2. Mr. Pankaj Gupta - Company Secretary
3. Mr. Sandeep Aggarwal - Chief Financial Officer



## 24. CORPORATE GOVERNANCE

Your Company has complied with the requirements of Regulations of the SEBI Listing Regulations.

The requisite certificate from the Auditor's regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement with the Stock Exchanges is attached as Annexure X of the Director's Report.

## 25. AUDITORS

### Statutory Auditors

The Statutory Auditors M/s Mohit Parekh & Co., Chartered Accountants having firm registration no.002067N hold office until the conclusion of the forthcoming Annual General Meeting, is eligible for re-appointment. They have furnished the certificate of their eligibility for re-appointment, if made, as required under the Companies Act and they are not disqualified for re-appointment. The Board of Directors for re-appointment to audit the Accounts of the Company for the Financial Year 2016-17 at remuneration as may be decided by the Board of Directors on the recommendation of the Audit Committee. Further, the Board of Directors of the Company recommend to the shareholders for their approval, re-appointment till the conclusion of next Annual General Meeting.

### Cost Auditors

In terms of the requirement of Section 148 of the Companies Act, 2013, your Board of Directors has appointed 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 for the year 2016-17. Further, the Board of Directors of the Company recommend to the shareholders for their approval, remuneration to be paid to the Cost Auditors ₹ 300000 (Rupees Three Lacs) (exclusive of service tax & out of pocket expenses).

### Secretarial Auditor

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules made there under the Board has appointed M/s Akash Gupta & Associates, Companies Secretaries (M No. 30099) to conduct the Secretarial Audit for the financial year 2015-16. The Secretarial Audit report for the financial year ended March 31, 2016 is annexed herewith as Annexure VI to this report.

## 26. AUDITORS' REPORT

### Statutory Audit

There are no qualifications of Auditors on the Accounts of the Company for the financial year ended March 31, 2016 requiring further comment from the Board of Directors. Therefore, the auditors' report and notes on accounts referred to in the Auditor's Report are self explanatory and there are no adverse remarks or qualification in the Report.

There are no such frauds reported by auditors, which are committed against the Company by officers or employees of the company.

### Secretarial Audit

There is no secretarial audit qualification/adverse remarks, in the Secretarial Audit Report for the financial year ended March 31, 2016.

### Cost Audit

There is no cost audit qualification/adverse remarks, in the Cost Audit Report for the financial year ended March 31, 2016.

## 27. CORPORATE SOCIAL RESPONSIBILITY

Your Company's overarching aspiration to create significant and sustainable societal value is manifest in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic empowerment based on grassroots capacity building. Towards this end, the Company adopted a comprehensive CSR policy in 2014-15 outlining programmes, projects and activities your Company plans to undertake to create a significant positive impact on identified stakeholders. All these programmes fall within the purview of Schedule VII of the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The statutory disclosures with respect to the CSR Committee and policy in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, in the form of the annual report on CSR Activities is laid down in Annexure V which forms part of this Report.

## **28. INSURANCE**

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

## **29. NATURE OF BUSINESS**

There is no change in the nature of business during the period under review.

## **30. DETAILS OF SIGNIFICANT & MATERIAL ORDERS**

No significant and material order has been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and Company's operations in future, details of which needs to be disclosed in the board's report as Section 134 (3)(q) read with rule 8 of Companies (Accounts) Rules, 2014.

## **31. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

## **32. DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information as required in accordance with Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details regarding the remuneration and other requisite details are mentioned in the Annexure II attached hereto.

No Employee draw the remuneration in excess of limit prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Managerial Personnel ) Rules, 2014.

No director of the Company who is receiving commission from the Company is in receipt of any remuneration or commission from any holding company or subsidiary company of the Company.

Total remuneration includes Salary, Bonus, Allowances, Company's contribution to Provident Fund, Gratuity and Other Perquisites and benefits valued as per the Income Tax Act, 1961.

The Remuneration Policy of the Company is annexed herewith as Annexure VII to this Report.

## **33. RISK MANAGEMENT**

The Company has formulated the Risk Management Policy through which the Company has identified various risks like, strategy risk, industry and competition risk, operation risk, liability risks, resource risk, technological risk, financial risk. The Company faces constant pressure from the evolving marketplace that impacts important issues in risk management and threatens profit margins. The Company emphasizes on those risks that threaten the achievement of business objectives of the Group over the short to medium term. Your Company has adopted the mechanism for periodic assessment to identify, analyze, and mitigation of the risk.

The appropriate risk identification method will depend on the application area (i.e. nature of activities and the hazard groups), the nature of the project, the project phase, resources available, regulatory requirements and client requirements as to objectives, desired outcome and the required level of detail.

The trend line assessment of risks, analysis of exposure and potential impact shall be carried out. Mitigation plans shall be finalized, owners identified, and progress of mitigation actions shall be regularly and periodically monitored and reviewed.

Treatment options which are not necessarily mutually exclusive or appropriate in all circumstances shall be driven by outcomes that include:

- Avoiding the risk,
- Reducing (mitigating) the risk,
- Transferring (sharing) the risk, and
- Retaining (accepting) the risk.

The Risk Management Policy of the Company is annexed herewith as Annexure VIII to this Report



### 34. PERFORMANCE EVALUATION REPORT

In terms of Companies Act, 2013 and SEBI Listing Regulations, there is requirement of formal evaluation by the Board of its own performance and that of its committees and individual directors.

The evaluation of Board of its own performance and that of its committees and individual directors. was conducted based on criteria and framework adopted by the Board. The evaluation criteria have been explained in the Nomination and Remuneration Policy adopted by the Board.

### 35. MANAGEMENT DISCUSSION AND ANALYSIS

Separate report on Management Discussion & Analysis is appended herewith.

### 36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

In terms of requirement of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with the Companies (Account)s Rules, 2014, the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure I to this report.

### 37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy ('Policy') in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Your Directors state that during the year under review, no cases of sexual harassment have been reported.

### 38. LISTING OF SECURITIES

The Company's Equity Shares are listed on BSE Limited and National Stock Exchange Limited.

### 39. GENERAL

Your Directors states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to directors or employees of the Company.
- d) Issue of Employee Stock Option Scheme to employees of the company.
- f) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.
- g) Purchase of or subscription for shares in the Company by the employees of the Company.

### 40. 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 our confidence and understanding.

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

**(Hari Chand Aggarwal)**  
 Chairman  
 DIN-00577015

Place : Delhi  
 Dated : August 23, 2016

## Annexure I

### DETAILS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO [SECTION 134(3)(m)]

#### 1. Conservation of energy

- The steps taken or impact on conservation of energy;

During the period under review, the Company has installed the instruments viz. VFD and APFC for conservation of energy. The Company has also reduced the fixed load of electricity for Dahej Plant.

- The steps taken by the company for utilizing alternate sources of energy;

During the year under review, the Company carried out initial surveys and looked into various alternate sources of energy. The Company needs more time and will make more efforts for finding suitable alternate sources of energy for the betterment of the Company.

- The capital investment on energy conservation equipments;

During the year under review, the Company has set up an above instruments at Dahej plant, where the Company has taken step for conservation of energy.

#### 2. Technology absorption

- the efforts made towards technology absorption;

Technology is ever changing and employees of the Company are made aware with the latest techniques and technologies through various workshops and discussions for optimum utilization of the available resources.

- the benefits derived like product improvement, cost reduction, product development or import substitution;

Product improvement and cost reduction is always the Company's priority while we choose new equipment. During the year, the Company has developed the process for Thiamethoxam Technical.

- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Your Company has not imported any technology during last three years. However, the Company has spent on the research and development of various products as mentioned below:

The expenditure incurred on Research and Development:

(₹ In Lacs)

Particulars	Amount
Capital	0.37
Recurring	149.07
<b>Total</b>	<b>149.44</b>

#### 3. Foreign exchange earnings and Outgo

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

(₹ In Lacs)

Particulars	Amount
Foreign exchange earned	687.71
Foreign exchange used	31081.78



**Annexure II**
**Pursuant to the Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16:

Table no. I

(₹ In Lacs)

Sl. No	Name of Director	Director's Remuneration	Employee Median Remuneration	Ratio
1	Mr. Hari Chand Aggarwal	82.30	0.19	433:1
2	Mr. Rajesh Aggarwal	69.70	0.19	367:1
3	Mrs. Nikunj Aggarwal	17.12	0.19	90:1

Table no. II

(₹ In Lacs)

Sl. No	Name of Director	Sitting Fee	Employee Median Remuneration	Ratio
1	Mr. Virjesh Kumar Gupta	2.70	0.19	14: 1
2	Mr. Navneet Goel	2.10	0.19	11: 1
3	Mr. Gopal Chandra Agarwal	1.95	0.19	10:1
4	Mr. Navin Shah	1.50	0.19	8:1
5	Mr. Anil Kumar Singh	1.80	0.19	9:1
6	Mr. Vinod Kumar Mittal	0.65	0.19	3:1
7	Mr. Jayaraman Swaminathan	1.00	0.19	5:1

**Notes:**

- Directors at above table II are Independent Directors and received only sitting fee during the year.
  - Out of pocket expenses incurred by them for attending the meetings not taken into account.
- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No	Name of Director and KMP	Director/KMP	% increase in remuneration
1	Mr. Hari Chand Aggarwal	Chairman Cum Whole-time Director	8.29
2	Mr. Rajesh Aggarwal	Managing Director	9.94
3	Mrs. Nikunj Aggarwal	Whole-time Director	33.54
4	Mr. Sandeep Aggarwal	Chief Financial Officer	12.48
5	Mr. Pankaj Gupta	Company Secretary	14.72

- In the financial year 2015-16, there was an increase of 11.76% in the median remuneration of employees.
- Total number of employees of the Company as on March 31, 2016 was 981. The Company has maintained peaceful and harmonious relations with all its employees.
- The average increment of 12% during the year in the line with the market trend.
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company; The aggregate remuneration of Executive Directors and KMPs was 0.21% of Turnover and 4.11% of Net Profit (before tax) during the financial year 2015-16.
- The market capitalization as on March 31, 2016 over BSE was ₹ 142814.47 Lacs in comparison to ₹ 87639.30 Lacs as on March 31, 2015 and over NSE was ₹ 142101.43 Lacs in comparison to ₹ 87201.73 as on March 31, 2015.
  - The Price Earnings Ratio was ₹ 36.35 as of March 31, 2016 (BSE), which was an increase of 221.92%, as compared to March 31, 2015.

- h. Average percentile increase already made in the salaries of employees other than the managerial personnel in 2015-16 was 10-15% whereas the increase in managerial remuneration was 10%. This was based on the recommendations of Nomination & Remuneration Committee, based on industry benchmarks and the respective person's performance and contribution. The Company's remuneration philosophy is to ensure that it is competitive in the PD industry in which it operates, for attracting and retaining the best talent
- i. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :-

Name of KMP	Remuneration (₹ In Lacs)	Ratio of remuneration to Profit before Tax
Mr. Rajesh Aggarwal	69.70	0.0138:1
Mr. Sandeep Aggarwal	25.05	0.0050:1
Mr. Pankaj Gupta	10.99	0.0022:1

- j. The key parameters for the variable component of remuneration availed by the Directors are considered by the Board, based on the recommendation of the Nomination & Remuneration Committee, as per the Remuneration Policy of the Company for Directors, KMPs and other employees.
- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year NIL; and
- l. It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

### Annexure III

#### FORM NO. AOC.1

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

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

#### **Part "A": Subsidiaries - Not Applicable**

(Information in respect of each subsidiary to be presented with amounts in )

- Sl. No.:
- Name of the subsidiary
- Reporting period for the subsidiary concerned, if different from the holding company's reporting period
- Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.
- Share capital
- Reserves & surplus
- Total assets
- Total Liabilities
- Investments
- Turnover
- Profit before taxation
- Provision for taxation
- Profit after taxation
- Proposed Dividend
- % of shareholding

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.



## Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In Lacs)

Name of Associates/Joint Ventures	Isec Organics Limited (Associate Company)	OAT & IIL India Laboratories Private Limited (Joint Venture Company)
<b>1. Latest audited Balance Sheet Date</b>	31.03.2015*	31.03.2016
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>		
No.	-	795000
Amount of Investment in Associates/Joint Venture	-	795.00
Extend of Holding %	-	20
<b>3. Description of how there is significant influence</b>	Business of Real Estate	R & D
<b>4. Reason why the associate/joint venture is not consolidated</b>	N.A	-
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	932.92	3799.33
<b>6. Profit / Loss for the year</b>		
i. Considered in Consolidation	-	20%
ii. Not Considered in Consolidation	-	80%

**Note\*** : The Financial Statements for the financial year 2015-16 for Associate Company is under process of the audit. Hence the figures are mentioned pursuant to Audited Financial Statments as on March 31, 2015.

Annexure IV

## FORM NO. AOC 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable.**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

## 2. Details of material contracts or arrangement or transactions at arm's length basis

a.	Name(s) of the related party and nature of relationship	Evergreen Mineral Industries (Associate Firm)	Paras Agro Industries (Associate Firm)	Vinod Metal Industries (Associate Firm)	Valve & Pneumatics (Associate Firm)	OAT & IIL India Laboratories Private Limited (Joint Venture)	ISEC Organics Limited (Associate Company)	Crystal Crop Protection Pvt. Ltd.	HPM Chemicals & Fertilizers Pvt. Ltd.	Crop Care Federation of India
b.	Nature of contracts/ arrangements/ transactions	Agreement	Agreement	Purchase Order(s)	Purchase Order(s)	Agreement	Agreement	Purchase Order(s)	Purchase Order(s)	Membership & Subscription
c.	Duration of the contracts/ arrangements/ transactions	2 years	2 years	2years	2 years	2 years	2 years	2 years	2 years	1 year
d.	Salient terms of the contracts or arrangements or transactions including the value, if any: As per agreement & purchase order	i. Party shall supply such products as may be ordered. ii. Products will be confirmed to CIB/BIS specifications. iii. Products will be supplied with in a period of 15 <sup>th</sup> days from date of purchase order. iv. Prices of products could not be more than prevailing market prices. v. The all transactions shall be done on arm length basis. vi. Insurance of the products will be bear by the company.	i. Party shall supply such products as may be ordered. ii. Products will be confirmed to CIB/BIS specifications. iii. Products will be supplied with in a period of 15 <sup>th</sup> days from date of purchase order. iv. Prices of products could not be more than prevailing market prices. v. The all transactions shall be done on arm length basis. vi. Insurance of the products will be bear by the company.	i. Party shall supply the product with in 15 days from issue of P.O. ii. Transportation and insurance expenses shall be bear by the company. iii. The payment of products will be made within 90 days from date of delivery. iv. All transactions will be made on arm length basis.	i. Party shall supply the product with in 15 days from issue of P.O. ii. Transportation and insurance expenses shall be bear by the company. iii. The payment of products will be made within 90 days from date of delivery. iv. All transactions will be made on arm length basis.	i. Annual service fee for services of R&D shall be carried out by the JV company in the proportion in ownership. ii. Service tax on annual service fee shall be born by the company. iii. Payment of fee shall be made within first quarter of fiscal year. iv. The agreement may be modified only by written agreement of the parties. v. Dispute shall be finally resolved by arbitrator with the provision of Arbitration Rules of the Singapore International Arbitration Centre. vi. Transactions under the agreement shall be made on arm length basis.	i. All takes shall be bear by the company. ii. The company shall not used the premises for any illegal purposes and not any hazardous or combustible articles. iii. Municipal tax shall be pay by the Isec Organics Ltd. iv. The work of renovation shall be made by the company. v. Rent shall be pay on or before the 15 days next calendar month.	i. Party shall supply the product with in 15 days from issue of P.O. ii. Transportation and insurance expenses shall be bear by the company. iii. The payment of products will be made within 90 days from date of delivery. iv. All transactions will be made on arm length basis.	i. Party shall supply the product with in 15 days from issue of P.O. ii. Transportation and insurance expenses shall be bear by the company. iii. The payment of products will be made within 90 days from date of delivery. iv. All transactions will be made on arm length basis.	i. The federation will raise the invoice for annual membership fee. ii. The Company shall pay the annual membership fee within time. iii. The Company shall submit the information demanded by the federation. iv. The federation will share the knowledge with the Company from time to time regarding the improvement in the Agri-sector.
e.	Date(s) of approval by the Board, if any	30/10/2014	30/10/2014	30/10/2014	30/10/2014	30/10/2014	30/10/2014	25/04/2015	25/04/2015	25/04/2015
f.	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g.	Justification for entering into such contracts or arrangements or transactions	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.	The Company has entered into contract and arrangement with the party in the ordinary course of business.
h.	Date on which the Special Resolution passed by the shareholders	19-09-2014	19-09-2014	19-09-2014	19-09-2014	19-09-2014	19-09-2014	19-09-2014	19-09-2014	19-09-2014



## **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

### **1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

To direct IIL's CSR Programmes, inter alia, towards achieving one or more of the following: enhancing environmental and natural capital; supporting rural development; promoting education and vocational skills; providing preventive healthcare; providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting traditional art and culture, and promoting sports.

The role of the CSR Committee is, inter alia, to review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its triple bottom line objectives. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Committee formulates, reviews and monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company in terms of the Companies Act, 2013.

The two most important stakeholders for IIL's CSR programmes / projects are:

- Rural communities primarily in the Company's Agri Business areas.
- The communities residing in close proximity to our production units.

The Company would carry out its CSR activities with the objective of overall community development and for philanthropic activities. The Company shall undertake any of the following activity/activities:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognised sports, paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.
- xi. Such other matters as may be prescribed under applicable statute;
- xii. Such other activity as may be thought fit by the CSR Committee and approved by the Board.

The Company has formulated the CSR policy pursuant to Section 135 of the Companies Act and Schedule VII and the weblink of the policy is <http://www.insecticidesindia.com/CSR.html>.

## 2. Composition of the CSR Committee:

S. No.	Name of the members	Designation
1.	Mr. Hari Chand Aggarwal	Chairman
2.	Mr. Rajesh Aggarwal	Member
3.	Mr. Virjesh Kumar Gupta	Member
4.	Mr. Ashwani Aggarwal	Member

During the year, two meetings i.e. on May 27, 2015 and November 7, 2015 CSR Committee were held.

## 3. Average net profit of the Company for last three financial years:

Average net profit: ₹ 5307.37 Lacs

## 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 106.15 Lacs

## 5. Details of CSR spend for the financial year:

a) Total amount spent for the financial year: ₹ 94.93 Lacs

b) Amount unspent, if any: ₹ 11.22 Lacs

c) Manner in which the amount spent during the financial year is detailed below:

(₹ In Lacs)

S. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent	
							Direct	Through implementing agency
1	Kishan Jagrukta Abhiyan (Training programmes to Farmers)	Green initiatives	Patna (Bihar), Badnager (MP) and Shyampur (MP)	34.15	27.01	27.01	27.01	-
2	Project Vidya (Child education in rural areas)	Education	Kalahandi (Odisha), Bharuch (Gujarat), Sonipat, Haryana, Chopanki (Rajasthan and Udhampur (J&K)	120.00	7.91	7.91	7.91	-
3	Contribution to Navjyoti India Foundation	Rural Development	Delhi	10.00	10.00	10.00	-	10.00
4	Contribution to D-CACUS Educational Centre	Education	Ningthoukhong, Bishnupur District, Manipur	50.00	50.00	50.00	-	50.00

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Some of the large programmes as mentioned in point 5(c) above are multiyear projects which usually involve setting the foundation at such level to make a ground filed preparation for enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. Moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits under the Companies Act, 2013 and rules made thereunder.

7. The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and objectives of the Company.

Place: Delhi

Date: August 23, 2016

**Rajesh Aggarwal**

Managing Director

**Hari Chand Aggarwal**

Chairman CSR Committee



## SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2016

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

To,  
The Members,  
**Insecticides (India) Limited**  
401-402, Lusa Tower,  
Azadpur Commercial Complex, Delhi 110033

I have conducted the secretarial audit of financial year ending on March 31, 2016 for of the compliance of applicable statutory provisions and the adherence to good corporate practices by Insecticides (India) Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by Insecticides (India) Limited ("The Company") for the financial year ending on March 31, 2016, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
  - a) Foreign Direct Investment: The Company has complied with the provisions of FEMA 1999 read with foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 except to the extent mentioned below;
  - b) Overseas Direct Investment: The Company has not invested any funds outside India in JV or subsidiary during the year;
  - c) External Commercial Borrowings: The Company has not received any external commercial borrowings from outside India during the year.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employees Benefits Regulations 2014); - The Company has not come with any ESOP or ESPS or share based employee benefits during the financial year ended on March 31, 2016, hence the mentioned regulations does not applicable to the Company;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; The Company has not issued or listed debt securities during the financial year ending March 31, 2016, thus the said regulations are not applicable to Company;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - during the financial year ended on March 31, 2016, the Company has not delist any equity share, thus the mentioned regulations does not applicable to the Company; and

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Company has not bought back any securities during the financial year ended on March 31, 2016, hence the said regulations are not applicable to the Company;

Further, as informed to us by management of the Company there are some industry specific laws, as mentioned below, which is being compiled by the Company as industry specific laws under the head "other laws as specifically applicable to company" are as follows:

- a) The Insecticides Act, 1968 & the Insecticides Rules, 1971
- b) The Insecticides (Price, Stock, Display and Submission of Reports) Orders, 1968
- c) The Fertilizers (Control) Order 1985

The management of company has represented and confirmed that the Company has generally complied with applicable provisions of industry specific laws as mentioned above and based upon such representation and random test checks, I also state that company has generally complied with applicable provisions of industry specific laws as mentioned above to the extent of information and document submitted to me.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements and entered into by the Company with the BSE Limited, National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

#### **I further report that:**

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

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

Majority decision is carried through and views are captured and recorded as part of the minutes while no member of board has dissented to any proposed resolutions in board meetings.

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

I further report that: during the audit period, the Company has entered into/carried out the following specific events/actions which may have a major bearing on the Company's affairs:

- a. Bonus Issue: During the period, Company has allotted 63,41,483 equity shares of ₹ 10 each to its existing shareholders, whose name appeared in the register of members as on the record date i.e. April 17, 2015, in the proportion of 1 Equity share of ₹ 10/- each for every 2 fully paid up equity shares ₹ 10/- each vide its letter dated March 26, 2015 and same got listed on stock exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited on 08.05.2015.
- b. Qualified Institutional Placement (QIP): The Members approval has been obtained through Postal Ballot on March 21, 2015 pursuant to the provisions of Section 42 and Section 62 of the Companies Act, 2013, for issue of equity shares under Qualified Institutions Placement to Foreign Institutional Investors registered with Securities and Exchange Board of India in terms of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Company has allotted 16,43,347 equity shares of ₹ 10 each at a premium of ₹ 499.70 per share on 17.08.2015 and same got listed on stock exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited on 20.08.2015.

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

#### **M/s Akash Gupta & Associates**

Practising Company Secretary

Membership No. 30099

Certificate of Practice No. 11038

Place: Delhi

Date: August 23, 2016



## Annexure A

To,  
The Members,  
**Insecticides (India) Limited**  
401-402, Lusa Tower,  
Azadpur Commercial Complex, Delhi-110033

Our report for the financial year ending March 31, 2016 of even date is to be read along with this letter:

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

**M/s Akash Gupta & Associates**  
Practising Company Secretary  
Membership No. 30099  
Certificate of Practice No. 11038

Place: Delhi  
Date: August 23, 2016

## Annexure VII

### “NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY”

#### LEGAL FRAMEWORK

In an endeavor to make the hiring of directors, KMP & other senior official more transparent, the Companies Act, 2013 ('Act') requires the Company to have the Nomination & Remuneration Policy for inter-alia, setting up the criteria of Nomination of Directors, Key Managerial Personnel & Senior Management and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The constitution of Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the rules there under and Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### DEFINITIONS

For the purpose of this Policy:

- **'Act'** shall mean the Companies Act, 2013;
- **'Board'** shall mean the Board of Directors of Insecticides (India) Limited;
- **'Committee'** shall mean the Nomination and Remuneration Committee of the Company, constituted and re-constituted by the Board from time to time;
- **'Company'** shall mean Insecticides (India) Limited;
- **'Directors'** shall mean the directors of the Company;
- **'Independent Director'** shall mean a director referred to in Section 149 (6) of the Companies Act, 2013;
- **'Key Managerial Personnel (KMP)'** shall mean the following:
  - (i) Executive Chairman and / or Managing Director (MD) and/or Manager
  - (ii) Whole-time Director (WTD);
  - (iii) Chief Financial Officer (CFO);
  - (iv) Company Secretary (CS);
  - (v) Such other officer as may be prescribed.
- **'Senior Management'** shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

#### OBJECTIVE & PURPOSE

The objective and purpose of this Policy are as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial Personnel and Other Employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the agro chemicals industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### SCOPE OF THE POLICY

The policy shall be applicable to the following in the Company:

- Directors
- Key Managerial Personnel (KMP)
- Senior Management
- Other employees of the Company

#### CONSTITUTION

- The Board shall determine the membership of the Committee.
- The Committee will comprise at least three members of non- executive directors, a majority of whom shall be independent directors.
- One of the independent non-executive directors shall be designated by the Board to serve as the Committee's Chairman.
- The present composition of the Committee is:



S. No.	Name	Designation	Profile
1	Mr. Jayaraman Swaminathan	Chairman	Mr. Jayaraman Swaminathan, aged 66, holds a Master's Degree in Science and a Diploma in Business Management. In addition he had done an advanced General Management course in MIT Sloan School USA. He joined Hoechst India in 1970 and held various positions. He rose to become a Director Member of Board .The responsibilities included manufacturing, QA, Safety in divisions of Agrochemicals, Pharmaceuticals (Pharma & Veterinary) and Vaccines. The demerger and acquisitions took him to Head new areas of responsibility in Commercial, Purchase (Imports, Exports & Domestic), Supply Chain, SAP. The companies were Hoechst Schering Agrevo Ltd., Agrevo Ltd., Aventis Ltd., Bayer Crop Science Ltd. In 2004 he joined Hikal as Business Head, VP for their the Agrochemicals division. Here the areas of work involved were active, formulations and contract manufacturing from three different factory locations. In 2008 he joined Sequent to work as Business Development Advisor for Domestic and International markets. Here the areas of work involved identifying new domestic and international customers for active, formulations and contract manufacturing for both pharma and veterinary products. Both Hikal and Sequent work focussed on developing new long term sustainable and mutually beneficial long term growth oriented business relationships. Such contracts were very well coordinated and supported by creating an efficient manufacturing and supply chain.
2	Mr. Virjesh Kumar Gupta	Member	Mr. Virjesh Kumar Gupta, aged 65 years, belongs to a business family of Delhi. After a graduate from Sri Ram College of Commerce (Delhi University), he has highly experienced professional with in depth understanding and hands on experience in diverse business field for Over 35 years. He has specialized in general management covering almost all aspects of day to day business activities. He is currently associated with various Educational and Charitable Societies.
3	Mr. Navin Shah	Member	Mr. Navin Shah, aged 70 years, belongs to a business family of Delhi. He started his business career in plastic industries. Mr. Navin Shah has more than 40 years experience in manufacturing in PVC compound.

## 1. **Appointment criteria and qualifications**

- 1.1 Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013 or the Company Internal policy.
- 1.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.
- 1.3 A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.
- 1.4 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria.' The indicative form to be filled out is placed as **Annexure 1** to this Policy.
- 1.5 The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- 1.6 The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and KMPs;
- 1.7 The Committee shall making recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an

executive director as an employee of the Company subject to the provision of the law and their service contract.

1.8 The Committee shall recommend any necessary changes to the Board.

## **2. Term / Tenure**

### **2.1 Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Executive Chairman, Managing Director or Executive Director for a term not exceeding three years at a time.

No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

### **2.2 Independent Director**

An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re-appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

## **3. Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or senior management personnel or functional heads, subject to the provisions and compliance of the Act, rules and regulations.

## **4. Retirement**

The director, KMP, senior management & functional heads shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs & Senior Managements even after attaining the retirement age, for the benefit of the Company.

## **5. Diversity on the Board of the Company**

The Company aims to enhance the effectiveness of the Board by diversifying it and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall confirm with the following two principles for achieving diversity on its Board:

- Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:

- Gender - The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.
- Age - Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.
- Nationality and ethnicity - The Company shall promote having a boardroom comprising of people from different ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;
- Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.



- **Educational qualification-** The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

## 6. Remuneration

6.1 In discharging its responsibilities, the Committee shall have regard to the following Policy objectives:

- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- To attract and retain competent executives;
- To plan short and long-term incentives to retain talent;
- To ensure that any severance benefits are justified.

6.2 The remuneration/ compensation/ commission etc. to the whole-time director, KMP and senior management & other employees will be determined by the Committee and recommended to the Board for approval.

6.3 The remuneration to be paid to the MD and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.

6.4 Increments to the existing remuneration/compensation structure of the Senior Management excluding the Board of Directors comprising of members of Management one level below the Executive Director, including the Functional Heads will be decided by the Chairman & Managing Director.

6.5 Remuneration to Whole-time/ Managing Director, KMP, senior management;

### 6.5.1 Fixed pay

The MD and/or whole-time director / KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the shareholders wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, club fees and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

### 6.5.2 Minimum Remuneration

If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD and/or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained.

## 6.6 Remuneration to Non- Executive / Independent Director:

**6.6.1 Remuneration :** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and with the provisions of Companies Act, 2013 along with the rules made there under.

**6.6.2 Sitting Fees:** The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act 2013.

## MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded as minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## DISCLOSURE OF THIS POLICY

The policy shall be disclosed in the Annual report of the Company, as required under Companies Act, 2013, Rules made there under and the Listing Agreement, as amended from time to time and as may be required under any other law for the time being in force.

## REVIEW

The Committee as and when required shall assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.

## **Annexure-1- Criteria for determination of the 'Fit and Proper Criteria'**

**Name of Company: Insecticides (India) Limited**

### **Declaration and Undertaking**

#### **I. Personal details of the Candidate/ Director**

a.	Full name	
b.	Date of Birth	
c.	Educational Qualifications	
d.	Relevant Background and Experience	
e.	Permanent Address	
f.	Present Address	
g.	E-mail Address/ Telephone Number	
h.	Permanent Account Number under the Income Tax Act	
i.	Relevant knowledge and experience	
j.	Any other information relevant to Directorship of the Company.	

## II. Relevant Relationships of Candidate/ Director

a.	List of Relatives if any who are connected with the Company (w.r.t. the Companies Act, 2013)	
b.	List of entities, if any, in which he/she is considered as being interested [ w.r.t. Section 184 of the Companies Act, 2013]	
c.	Names of other Companies in which he/ she is or has been a member of the board during the last 3 years (giving details of period during which such office was held)	

## III. Records of professional achievements

a.	Relevant Professional achievements	
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## IV. Proceedings, if any, against the Candidate/ Director

a.	If the person is a member of a professional association/ body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry of at any profession/ occupation at any time.	
b.	Whether the person attracts any of the disqualifications envisaged under Section 164 of the Companies Act 2013?	
c.	Whether the person in case of appointment as Executive Chairman, Managing Director, Whole-time Director attracts any of the disqualification envisaged under Schedule V of Companies Act, 2013 ?	
d.	Whether the person at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA ?	

## V. Any other explanation/ information in regard to items I to III and other information considered relevant for judging fit and proper.

### Undertaking

- I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Company fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.
- I also undertake to execute the deed of covenant required to be executed by all directors of the Company.

Place:

Signature :

Date:

## VI. Remarks of Nomination Committee

Place:

Signature :

Date:



## RISK MANAGEMENT POLICY

### I. PREAMBLE

This Risk Management Policy ("Policy") is prepared and adopted to build a framework for risk management of Insecticides (India) Limited ("Company"), in accordance with the requirement of Companies Act, 2013 ("Act"), which has become applicable with effect from 1<sup>st</sup> April, 2014 and amended clause 49 of Listing Agreement, which has become applicable with effect from 1<sup>st</sup> October, 2014. This Policy is aimed to develop an approach to make an assessment, and minimization of the risks in financial, operational and project based areas in a timely manner.

### II. PURPOSE

The provisions of Act and Listing Agreement provides for the requirement of developing and implementing a Risk Management Policy ("Policy") of the Company and a statement to this effect shall be included in the Report of Board of Directors ("Board") every year. The statement shall contain the identification of risk elements, if any, which in the opinion of the Board may create threat for the existence of the Company.

### III. OBJECTIVE

A Company is exposed to several types of risks, including operational and financial risks. The key objective of this Policy is to ensure sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risk. In order to achieve this key objective, this Policy provides a prepared and well-organized approach to manage the various types of risk associated with day to day business of the Company and minimize adverse impact on its business objectives. Main objectives of the Policy are:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management;
2. To protect brand value through strategic control and operational policies;
3. To establish a framework for the Company's risk management process and to ensure company-wide implementation;
4. To ensure systematic and uniform assessment of risks related with different projects of the Company;
5. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

### IV. BACKGROUND AND IMPLEMENTATION

This document is intended to formalize a risk management policy for the Company, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable and predictable future risks.

The Board of Directors of the Company shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. The head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and/or Audit Committee.

### V. CATEGORIES OF RISKS

The Company faces constant pressure from the evolving marketplace that impacts important issues in risk management and threatens profit margins. The business is exposed to several kinds of risk from time to time which include the following:

1. **Strategic Risks:** These risks concern risks relating to the flux and movement of money and capital in the Company. This will include cash flow management, investment evaluation and credit default. These risks emanate out of the choices, the Company makes in the markets, resources and delivery of services.
2. **Industry and Competition Risks:** Risks relating to the agro chemicals industry, including competition in the industry, technological landscape, risks arising out of volatility manufacturing industry, and those relating to brands of the Company.
3. **Risk of Theft, Pilferage and Non Delivery:** Risks relating to theft or pilferage when the goods manufactured are failed to be delivered to the buyers. The risk of Non- delivery concerns a situation where the whole cargo is not delivered to the consignee.

4. **Risk of Clash and Breakage:** The risk of clash and breakage is mainly referred to the risks associated with the manufacturing output caused due to quiver, bump, squeezing, lacquer desquamation, nick and so on, in transit. Fragmentation is mainly referred to fragile substances and includes loss including breaching and smash in transit due to careless loading and unloading and bumping of conveyance, and may also occur during warehousing.
5. **Operational Risks:** Most common, and often combatable in all situations, these risks related to business operations such as those relating to determination, identification and procurement of vendors, services delivery to vendors, security and surveillance, and business activity disruptions.
6. **Currency Risk:** The Company deals in various foreign currencies and is exposed to fluctuations in the currency markets from time to time.
7. **Resource Risk:** The Company may at times, become susceptible to various risks associated with the procurement of talent, capital and infrastructure, as may be specific to the industry.
8. **Risks relating to regulatory and compliance framework:** Risks due to inadequate compliance to regulations, contractual obligations and intellectual property violations leading to litigations and related costs and effect on brand value and image.

Due to the constant changes in the issues affecting the business, there is always a need for proactive solutions for risk prevention and management. A comprehensive risk policy covering the broadest spectrum of potential risks will provide the most protection.

## VI. RISK MANAGEMENT PROCESS



### 1. ESTABLISHMENT OF GOALS & CONTEXT

The purpose of this stage is to understand the environment in which the Company operates, keeping in view its external environment, as well as, internal culture. For this, the Company shall establish its strategic, organizational and risk management context and identify the constraints and opportunities of its operating environment.

### 2. IDENTIFICATION OF RISKS

Periodic assessment to identify significant risks for the Company and prioritizing the risks for action is an important aspect of this Policy. Mechanisms for identification and prioritization of risks include risk survey, scanning of the environment of risks, discussions about the risks and threats to the Company. A risks register shall also be maintained, and internal audit findings shall include pointers for risk identification.

Key questions that may assist identification of risks include:

- ✓ To achieve its goals, the Company shall determine when, where, why, and how are risks likely to occur?
- ✓ What are the risks associated with achieving each goal?
- ✓ What are the risks of not achieving these goals?



- ✓ Who are involved (for example, suppliers, contractors, stakeholders) in the creation, as well as combating of the same?

The appropriate risk identification method will depend on the application area (i.e. nature of activities and the hazard groups), the nature of the project, the project phase, resources available, regulatory requirements and client requirements as to objectives, desired outcome and the required level of detail.

### 3. ANALYSIS OF RISKS

Risk analysis involves the consideration of the source of risk, the consequence and likelihood of the risks to estimate the inherent or unprotected risk without controls in place. It also involves identification of the controls, an estimation of their effectiveness and the resultant level of risk with controls in place (the protected, residual or controlled risk). Qualitative, semi-quantitative and quantitative techniques are all acceptable analysis techniques depending on the risk, the purpose of the analysis and the information and data available.

### 4. EVALUATION OF RISKS

Once the risks have been analyzed they can be compared against the previously documented and approved tolerable risk criteria.

The decision of whether a risk is acceptable or not is taken by the relevant manager. A risk may be considered acceptable if for example:

- The risk is sufficiently low that treatment is not considered cost effective, or
- A treatment is not available, e.g. a project terminated by a change of government, or
- A sufficient opportunity exists that outweighs the perceived level of threat.

If the manager determines the level of risk to be acceptable, the risk may be accepted with no further treatment beyond the current controls. Acceptable risks should be monitored and periodically reviewed to ensure they remain acceptable. The level of acceptability can be organizational criteria or safety goals set by the authorities.

### 5. TREATMENT OF RISKS

For top risks, dashboards shall be created to track external and internal indicators relevant for risks, so as to indicate the risk level. The trend line assessment of top risks, analysis of exposure and potential impact shall be carried out. Mitigation plans shall be finalized, owners identified, and progress of mitigation actions shall be regularly and periodically monitored and reviewed. Treatment options which are not necessarily mutually exclusive or appropriate in all circumstances shall be driven by outcomes that include:

- Avoiding the risk,
- Reducing (mitigating) the risk,
- Transferring (sharing) the risk, and
- Retaining (accepting) the risk.

### 6. MONITORING OF RISKS

It is important to understand that the concept of risk is dynamic and needs periodic and formal review. The currency of identified risks needs to be regularly monitored. New risks and their impact on the Company may to be taken into account. This step requires the description of how the outcomes of the treatment will be measured. Milestones or benchmarks for success and warning signs for failure need to be identified.

The review period is determined by the operating environment (including legislation), but as a general rule a comprehensive review every three years is an accepted industry norm. This is on the basis that all changes are subject to an appropriate change process including risk assessment. The review needs to validate that the risk management process and the documentation is still valid. The review also needs to consider the current regulatory environment and industry practices which may have changed significantly in the intervening period.

The assumptions made in the previous risk assessment (hazards, likelihood and consequence), the effectiveness of controls and the associated management system as well as people need to be monitored on an on-going basis to ensure risk are in fact controlled to the underlying criteria.

For an efficient risk control, the analysis of risk interactions is necessary. This ensures that the influences of one risk to another is identified and assessed. A framework needs to be in place that enables responsible officers to report on the following aspects of risk and its impact on the Company's operations:

- What are the key risks?

- How are they being managed?
- Are the treatment strategies effective? – If not, what else must be undertaken?
- Are there any new risks and what the implications for the organization are?

## **7. COMMUNICATION & REPORTING**

Risk updates shall be provided to the Board. Entity level risks such as project risks, account level risks shall be reported to and discussed at appropriate levels of the Company. Clear communication is essential for the risk management process, i.e. clear communication of the objectives, the risk management process and its elements, as well as the findings and required actions as a result of the output.

## **VII. ROLE OF THE BOARD**

The Board will undertake the following to ensure that the risks in the Company are managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company;
- The Board shall ensure that appropriate systems for risk management are in place;
- The Board shall ensure allocation of priorities and resources in addressing risks;
- The independent directors of the Company shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- The Board shall actively participate in major decisions affecting the Company's risk profile;
- The Board may constitute any committees to ensure that risks are adequately managed and resolved where possible;
- The Board may deploy mechanisms to monitor compliance with the Policy.

The Chief Financial Officer will gather and review information and data, be thorough in assessments, seek independent or expert advice where appropriate and provide direction and guidance to the Board of Directors in terms of decision-making.

In fulfilling the duties of risk management, the Chief Financial Officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the approval of the Board.

## **VIII. RISK REGISTRATION, TREATMENT & REPORTING**

The Company should make the risk registers in which the managers to record, the risk description, an assessment of that risk, the responsible officer for managing that risk & treatment plans.

This information provides a useful tool for managers & staff to consider in both strategic & operational planning & the register will be available to managers & staff.

The Board of the Company will monitor the risk profile of the organization with particular regard to those risks that exceed an acceptable risk level.

The management of risk will be integrated into organization's existing planning & operational processes & will be recognized in the funding & quarterly reporting mechanisms, on the basis of the evaluation of the level of risk & organization's exposure.

## **IX. DISCLOSURE IN BOARD'S REPORT**

Board of Directors shall include a statement in their Board's Report, indicating development and implementation of a Risk Management Policy for the Company, including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

## **X. REVIEW**

This Policy shall be reviewed annually, to ensure that it meets the requirements of the law and its provisions, and the needs of Company.

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN : L65991DL1996PLC083909
- ii. Registration Date : December 18, 1996
- iii. Name of the Company : Insecticides (India) Limited
- iv. Category / Sub-Category of the Company : Public Company/Limited by Shares
- v. Address of the Registered office and contact details : 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033,  
Tel No. (011) 27679701 – 04,  
Tele Fax No. (011) 27679700 – 04,  
Email – investor@insecticidesindia.com
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent : Alankit Assignments Limited  
Alankit House, 1E/13, Jhandewalan Exten., Delhi - 110055  
Tel. No.(011) 4254 1234  
Fax No. (011) 4254 1967,  
Email – rta@alankit.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC 2008 Code of the Product/ service	% to total turnover of the company
1.	Agro Chemicals	Group: 202 Class: 2021	100.00

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
1	OAT & IIL India Laboratories Private Limited	U73100DL2013FTC249117	Joint Venture	20%	Section 2(6) of the Companies Act, 2013
2	Isec Organics Limited	U24239DL2004PLC124339	Associate	NIL	Section 2(6) of the Companies Act, 2013

**III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
*i. Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters (1) Indian</b>									
a) Individual/HUF	9303000	–	9303000	73.35	13954500	–	13954500	67.52	(5.83)
b) Central Govt.	–	–	–	–	–	–	–	–	Nil
c) State Govt (s)	–	–	–	–	–	–	–	–	Nil
d) Bodies Corp.	169700	–	169700	1.34	254550	–	254550	1.23	(0.11)
e) Banks / FI	–	–	–	–	–	–	–	–	Nil
<b>Sub-total (A) (1):-</b>	<b>9472700</b>	<b>–</b>	<b>9472700</b>	<b>74.69</b>	<b>14209050</b>	<b>–</b>	<b>14209050</b>	<b>68.75</b>	<b>(5.94)</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) NRIs -									
Individuals	–	–	–	–	–	–	–	–	Nil
b) Other –									
Individuals	–	–	–	–	–	–	–	–	Nil
c) Bodies Corp.	–	–	–	–	–	–	–	–	Nil
d) Banks / FI	–	–	–	–	–	–	–	–	Nil
<b>Sub-total (A) (2):-</b>	–	–	–	–	–	–	–	–	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>9472700</b>	–	<b>9472700</b>	<b>74.69</b>	<b>14209050</b>	–	<b>14209050</b>	<b>68.75</b>	<b>(5.94)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	165458	–	165458	1.30	1603401	–	1603401	7.76	6.46
b) Banks / FI	676225	–	676225	5.33	986569	–	986569	4.77	(0.56)
c) Central Govt	–	–	–	–	–	–	–	–	Nil
d) State Govt(s)	–	–	–	–	–	–	–	–	Nil
e) Venture Capital Funds	–	–	–	–	–	–	–	–	Nil
f) Insurance Companies	–	–	–	–	–	–	–	–	Nil
g) FIs	523294	–	523294	4.13	–	–	–	–	(4.13)
h) Foreign Portfolio Investors	–	–	–	–	1050960	–	1050960	5.09	5.09
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	Nil
Venture Capital Funds	–	–	–	–	–	–	–	–	Nil
<b>Sub-total (B)(1):-</b>	<b>1364977</b>	–	<b>1364977</b>	<b>10.76</b>	<b>3640930</b>	–	<b>3640930</b>	<b>17.62</b>	<b>6.86</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	470919	–	470919	3.71	744308	–	744308	3.60	(0.11)
ii) Overseas	–	–	–	–	–	–	–	–	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1069647	259	1069906	8.44	1725823	353	1726176	8.35	(0.09)
i) Individual shareholders holding nominal share capital in excess of ₹1 lakh	129285	–	129285	1.02	249293	–	249293	1.21	0.19
c) NBFC registered with RBI	–	–	–	–	8400	–	8400	0.04	0.04
d) Others - NRI	95956	–	95956	0.76	89542	–	89542	0.43	(0.33)
e) Others - Trust	78648	–	78648	0.62	97	–	97	–	(0.62)
f) Others – Foreign Nationals	575	–	575	–	–	–	–	–	Nil
<b>Sub-total (B)(2):- Total Public</b>	<b>1845030</b>	<b>259</b>	<b>1845289</b>	<b>14.55</b>	<b>2817463</b>	<b>353</b>	<b>2817816</b>	<b>13.63</b>	<b>(0.92)</b>
<b>Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3210007</b>	<b>259</b>	<b>3210266</b>	<b>25.31</b>	<b>6458429</b>	<b>353</b>	<b>6458746</b>	<b>31.25</b>	<b>Nil</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>12682707</b>	<b>259</b>	<b>12682966</b>	<b>100.00</b>	<b>20667443</b>	<b>353</b>	<b>20667796</b>	<b>100.00</b>	<b>Nil</b>

## ii. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year				Share holding at the end of the year				% Change During the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1	Mr.Hari Chand Aggarwal	615600	–	615600	4.85	923400	–	923400	4.48	(0.38)
2	Hari Chand Aggarwal(HUF)	996000	–	996000	7.85	1494000	–	1494000	7.23	(0.62)
3	Ms.Kritika Aggarwal	75000	–	75000	0.59	112500	–	112500	0.54	(0.05)
4	Mrs.Nikunj Aggarwal	750000	–	750000	5.91	1125000	–	1125000	5.44	(0.47)
5	Mrs.Pushpa Aggarwal	1434600	–	1434600	11.31	2151900	–	2151900	10.41	(0.90)
6	Mr.Rajesh Aggarwal	3528600	–	3528600	27.82	5292900	–	5292900	25.61	(2.21)
7	Rajesh Aggarwal(HUF)	1302000	–	1302000	10.27	1953000	–	1953000	9.45	(0.82)
8	Master Sanskar Aggarwal	601200	–	601200	4.74	901800	–	901800	4.36	(0.38)
9	ISEC Organics Ltd.	169700	–	169700	1.34	254550	–	254550	1.23	(0.11)
10	<b>Total</b>	<b>9472700</b>	<b>–</b>	<b>9472700</b>	<b>74.69</b>	<b>14209050</b>	<b>–</b>	<b>14209050</b>	<b>68.75</b>	<b>(5.94)</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change): There is no change in Promoters Shareholding during the Year

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9472700	74.69	9472700	74.69
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			4736350 Shares on 25.04.2015 (Bonus Issue)	-
	At the End of the year			14209050	68.75

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1.	Life Insurance Corporation of India	675000	5.32	–	–
2.	Fidelity Northstar Fund	375000	2.96	–	–
3.	HDFC Small and Mid Fund	165458	1.31	–	–
4.	SPA Securities Ltd.	93315	0.74	–	–
5.	Vec Aif Vec Strategic Advantage Scheme	78563	0.62	–	–
6.	Ishaan Metals Pvt. Ltd.	73439	0.58	–	–
7.	Fiducian India Fund	58340	0.46	–	–
8.	Fidelity Funds	56408	0.45	–	–
9.	Vivek Bhimsaria	40000	0.32	–	–
10.	Dolly Khanna	28574	0.23	–	–
	<b>Total</b>	<b>1644097</b>	<b>12.99</b>	<b>–</b>	<b>–</b>
1.	Life Insurance Corporation of India	–	–	972482	4.71
2.	Fidelity Northstar Fund	–	–	825000	3.99
3.	HDFC Trustee Company Limited A/c HDFC Balanced Fund	–	–	588581	2.85
4.	Sundaram Mutual Fund A/c Sundaram Smile Fund	–	–	270084	1.31
5.	HDFC Small & Midcap Fund	–	–	248187	1.20
6.	SBI Equity Opportunities Fund Series I	–	–	196193	0.95
7.	Zealous Financial Services Private Limited	–	–	123123	0.59
8.	Fiducian India Fund	–	–	78735	0.38
9.	Subhkam Ventures (I) Private Limited	–	–	75000	0.36
10.	Vinod Infotech Private Limited	–	–	74220	0.36
	<b>Total</b>	<b>–</b>	<b>–</b>	<b>3451605</b>	<b>16.70</b>

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Date	Reason	Shareholding Beginning of	At the The year	Cumulative During the	Shareholding year
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>Directors</b>						
1.	Mr. Hari Chand Aggarwal	April 1, 2015		615000	4.85	615000	4.85
		April 25, 2015	Bonus Issue			307800	
		March 31, 2016				922800	4.47
2.	Mr. Rajesh Aggarwal	April 1, 2015		3528600	27.82	3528600	27.82
		April 25, 2015	Bonus Issue			1764300	
		March 31, 2016				5292900	25.61
3.	Mrs. Nikunj Aggarwal	April 1, 2015		750000	5.91	750000	5.91
		April 25, 2015	Bonus Issue			375000	
		March 31, 2016				1125000	5.44
4.	Mr. Gopal Chandra Agarwal	April 1, 2015		850	–	850	–
		April 25, 2015	Bonus Issue			425	–
		August 12, 2015	Sold			850	
		March 31, 2016	Gift			425	
		March 31, 2016				–	–
	<b>Key Managerial Personnel</b>	–	–	–	–	–	–

**IV. INDEBTEDNESS**

*Indebtedness of the Company including interest outstanding/accrued but not due for payment*

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	29460.77	150.00	–	29610.77
ii) Interest due but not paid	–	5.45	–	5.45
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>29460.77</b>	<b>155.45</b>	<b>–</b>	<b>29616.22</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition		–	–	–
• Reduction	8901.33	155.45	–	9056.78
<b>Net Change</b>	<b>8901.33</b>	<b>155.45</b>	<b>–</b>	<b>9056.78</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	20559.44	–	–	20559.44
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>20559.43</b>	<b>–</b>	<b>–</b>	<b>20559.43</b>



## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lacs)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Hari Chand Aggarwal	Mr. Rajesh Aggarwal	Mrs. Nikunj Aggarwal	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78.00	66.00	16.00	160.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.30	3.70	1.12	9.12
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	- as % of profit				
	- others, specify...				
5	Others, please specify	—	—	—	—
	<b>Total (A)</b>	<b>82.30</b>	<b>69.70</b>	<b>17.12</b>	<b>169.12</b>
	<b>Total Managerial Remuneration</b>	<b>82.30</b>	<b>69.70</b>	<b>17.12</b>	<b>169.12</b>
	<b>Overall Ceiling as per the Act</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>

### B. Remuneration/ Sitting fee to other directors:

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name Of Directors							Total Amount
		Mr. Anil Kumar Singh	Mr. Gopal Chandra Agarwal	Mr. Jayaraman Swaminathan	Mr. Navneet Goel	Mr. Navin Shah	Mr. Virjesh Kumar Gupta	Mr. Vinod Kumar Mittal	
	3. Independent Directors								
	• Fee for attending board / committee meetings								
	• Commission	1.80	1.95	1.00	2.10	1.50	2.70	0.65	11.70
	• Others, please specify								
	<b>Total (1)</b>	<b>1.80</b>	<b>1.95</b>	<b>1.00</b>	<b>2.10</b>	<b>1.50</b>	<b>2.70</b>	<b>0.65</b>	<b>11.70</b>
	4. Other Non-Executive Directors								
	• Fee for attending board / committee meetings								
	• Commission								
	• Others, please specify								
	<b>Total (2)</b>								
	<b>Total (B)=(1+2)</b>	<b>1.80</b>	<b>1.95</b>	<b>1.00</b>	<b>2.10</b>	<b>1.50</b>	<b>2.70</b>	<b>0.65</b>	<b>11.70</b>
	Total Managerial Remuneration	—	—	—	—	—	—	—	—
	<b>Overall Ceiling as per the Act</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>	<b>5008.39</b>

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(₹ In Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.99	25.05	36.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- as % of profit			
	- others, specify...			
5	Others, please specify	–	–	–
	Total (A)	10.99	25.05	36.04

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	N.A				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A				
Punishment					
Compounding					

## REPORT OF CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Insecticides (India) Limited philosophy on Corporate Governance revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. This philosophy is backed by principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. Company respects the inalienable rights of the shareholders to information on the performance of the Company. The Company's Corporate governance policies ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants viz. Employees, Investors, Customers, Regulators etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet Shareholder's expectations.

### II. BOARD OF DIRECTORS

#### A. Board Composition

The Company maintains the optimum combination of Executive and Independent Directors having rich experience in related sectors. The Board of Directors always endeavour to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term Stakeholder value, while, at the same time, respecting the right of all Stakeholders.

As on March 31, 2016, the Board of the Company comprises of 10 (Ten) Directors, of which 3 (Three) are Executive Directors and rest 7 (Seven) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

There is no nominee director, appointed by any financial institution/bank on the Board. Independent Directors did not have any material pecuniary relationship or transactions with the Company during the year 2015-16, which may affect their judgments in any manner.

#### B. Number of Board Meetings held with Dates

During the year, 9 (Nine) Board Meetings were held, with a maximum gap of 120 days between two meeting, as against the minimum requirement of 4 (Four) meetings. The necessary quorum was present for all the meetings. The details of Board Meetings are given below:

S. No.	Date
1	April 25, 2015
2	May 27, 2015 (Two)
3	August 05, 2015
4	August 25, 2015
5	November 7, 2015
6	February 10, 2016
7	February 11, 2016
8	March 14, 2016

#### C. Attendance of Directors at Board meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies:

Name of the Director	Designation	Attendance at Meetings during 2015-16		No. of Other Directorship(s)*	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies**
		Board Meetings	Last AGM		
Mr. Hari Chand Aggarwal	Chairman cum Whole Time Director	9	Yes	1	-



Mr. Rajesh Aggarwal	Managing Director	8	Yes	2	-
Mrs. Nikunj Aggarwal	Whole time Director	8	Yes	-	-
Mr. Gopal Chandra Agarwal	Independent Director	6	Yes	1	-
Mr. Navneet Goel	Independent Director	6	Yes	-	-
Mr. Navin Shah	Independent Director	6	Yes	1	-
Mr. Virjesh Kumar Gupta	Independent Director	9	Yes	-	-
Mr. Anil Kumar Singh	Independent Director	6	Yes	-	-
Mr. Vinod Kumar Mittal	Independent Director	2	No	-	-
Mr. Jayaraman Swaminathan	Independent Director	2	No	-	-

*The necessary quorum was present for all the meetings.*

*Note: Mr. Vinod Kumar Mittal and Mr. Jayaraman Swaminathan were appointed as an Additional Director in the category of Independent Directors with effect from February 10, 2016.*

*\*The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies, except Mr. Gopal Chandra Agarwal, he holds the position as a Director in a Private Company.*

*\*\*1. In accordance SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees in all Public Limited Companies (excluding IIL) have been considered.*

*2. None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Director.*

During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

### **Board Procedure**

The Board Meetings of the Company are governed by a structured agenda. The Board Meetings are generally held at the Registered Office of the Company. The Company Secretary in consultation with the Chairman and the Managing Director finalizes the agenda of the Board Meetings.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

### **Brief profile of the Directors proposed to be appointed at the Annual General Meeting**

**Mr. Vinod Kumar Mittal**, aged 64, is highly experienced person in the banking sector and he had taken a voluntary retirement from the post of Chief Manager in State of Patiala, Zonal Office, New Delhi in the year 2005.

Apart from the Company Mr. Vinod Kumar Mittal does not hold directorship in any other Indian Public Limited Companies. As on March 31, 2016, Mr. Vinod Kumar Mittal does not hold any share of the Company.

**Mr. Jayaraman Swaminathan**, aged 66, holds a Master's Degree in Science and a Diploma in Business Management. In addition he had done an advanced General Management course in MIT Sloan School USA. He joined Hoechst India in 1970 and held various positions. He rose to become a Director Member of Board. The responsibilities included manufacturing, QA, Safety in divisions of Agrochemicals, Pharmaceuticals (Pharma & Veterinary) and Vaccines. The demerger and acquisitions took him to Head new areas of responsibility in Commercial, Purchase (Imports, Exports & Domestic), Supply Chain, SAP. The companies were Hoechst Schering Agrovo Ltd., Agrovo Ltd., Aventis Ltd., Bayer Crop Science Ltd. In 2004 he joined Hikal as Business Head, VP for their the Agrochemicals division. Here the areas of work involved were

active, formulations and contract manufacturing from three different factory locations. In 2008 he joined Sequent to work as Business Development Advisor for Domestic and International markets. Here the areas of work involved identifying new domestic and international customers for active, formulations and contract manufacturing for both pharma and veterinary products. Both Hikal and Sequent work focussed on developing new long term sustainable and mutually beneficial long term growth oriented business relationships. Such contracts were very well coordinated and supported by creating an efficient manufacturing and supply chain.

Apart from the Company Mr. Jayaraman Swaminathan does not hold directorship in any other Indian Public Limited Companies. As on March 31, 2016, Mr. Jayaraman Swaminathan does not hold any share of the Company.

**Mr. Deepak Gupta**, aged 54, has experience of more than 31 years in running own businesses, marketing, distribution, manufacturing, HRD etc. in own and corporate world as Senior Vice President Operations at M/S Polymedicure Ltd & M/S Minda Industries Ltd as Vice President CSR and Education. Presently, he is participating in Make in India programs and Skill India Mission through coaching in small and Large Companies.

Apart from the Company Mr. Deepak Gupta does not hold directorship in any other Indian Public Limited Companies. As on March 31, 2016, Mr. Deepak Gupta does not hold any share of the Company.

**Note:** Mr. Deepak Gupta was appointed as an Additional Director in the category of Independent Directors with effect from April 30, 2016.

#### **D. Independent Director's Composition**

##### **(i) Composition**

The Board of the Company comprises of 7 (Seven) Independent Directors namely:-

- i. Mr. Gopal Chandra Agarwal
- ii. Mr. Navneet Goel
- iii. Mr. Navin Shah
- iv. Mr. Virjesh Kumar Gupta
- v. Mr. Anil Kumar Singh
- vi. Mr. Vinod Kumar Mittal
- vii. Mr. Jayaraman Swaminathan

*Note: Mr. Vinod Kumar Mittal and Mr. Jayaraman Swaminathan were appointed as an Additional Director in the category of Independent Directors with effect from February 10, 2016.*

*The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.*

##### **(ii) Declaration of Independent Director**

The Company has received declarations of independence as prescribed under Section 149 (6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

#### **E. Familiarisation Programme for Independent Director**

The Familiarization Programme for Independent Directors aims to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry, business model of the Company etc. The Board of Directors has complete access to the information within the Company. The Company is regularly updating with presentations on various related matters, where Directors get an opportunity to interact with Senior Management. Presentations, inter alia, cover the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, quarterly and annual results, human resources, technology, quality and such other areas as may arise from time to time. With such presentation the Independent Directors are updated with the Company and its environment. Independent Directors have the freedom to interact with the Company's management.

The details of programme for familiarization of Independent Directors with the company are placed at

company's website at the product offering, finance, risk management framework, quarterly and annual results, human resources, technology, quality and other areas as may arise from time to time. With such presentation the Independent Directors are updated with the Company and its environment.

<http://www.insecticidesindia.com/Familiarization/Familiarization%20Programme%20for%20Indepdent%20Directors%20Draft%20website.pdf>

## F. Independent Directors' Compensation and Disclosures

All sitting fees paid to Independent, shall be fixed by the Board of Directors and as reviewed by the Nomination and Remuneration Committee in pursuance of the Nomination and Remuneration Policy.

The Independent Directors are paid sitting fee as per reviewed by the Nomination and Remuneration Committee and fixed by the Board of the Company and within the limits prescribed under the provisions of the Companies Act, 2013 along-with the rules made there under. The Independent Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2015-16. No stock options were granted to Independent Directors during the year under review.

Independent Directors are not serving as Independent Directors in more than Seven Listed Companies.

**Table No. 1**

S. No.	Name of the Director	Sitting Fee (₹ In Lacs)	No. of Shares held
1.	Mr. Gopal Chandra Agarwal	1.95	-
2.	Mr. Navneet Goel	2.10	-
3.	Mr. Navin Shah	1.50	-
4.	Mr. Virjesh Kumar Gupta	2.70	-
5.	Mr. Anil Kumar Singh	1.80	-
6.	Mr. Vinod Kumar Mittal	0.65	-
7.	Mr. Jayaraman Swaminathan	1.00	-

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in the normal course of business.

None of the Directors of the Company hold any securities of the Company.

## G. Independent Directors Meeting

During the year, two meetings of the Independent Directors were held on November 7, 2015 and February 11, 2016. The Independent Directors, inter alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

## H. 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, 2013 read with the rules issued thereunder.

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as well as taken by the Company to rectify the instances of non-compliance, if any.

## I. Code of Conduct

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 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.

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 March 31, 2016. The Annual Report of the Company contains declaration duly signed by the Managing Director.



## J. Relationship among the Directors

Sl. No	Name of the Directors	Relationship with other Disclosures
1	Mr. Hari Chand Aggarwal	Father of Mr. Rajesh Aggarwal and Father-in-law of Mrs. Nikunj Aggarwal
2	Mr. Rajesh Aggarwal	Son of Mr. Rajesh Aggarwal and Husband of Mrs. Nikunj Aggarwal
3	Mrs. Nikunj Aggarwal	Daughter in law of Mr. Hari Chand Aggarwal and Wife of Mr. Rajesh Aggarwal

## III. AUDIT COMMITTEE

### A. Composition, its Meetings and Attendance

During the year, the Audit Committee has changed, with effect from February 10, 2016, the current composition of Audit Committee constitutes Mr. Vinod Kumar Mittal (Chairman), Mr. Jayaraman Swaminathan and Mr. Virjesh Kumar Gupta as Members. Till February 9, 2016, the Committee comprises of Mr. Gopal Chandra Aggarwal (Chairman), Mr. Navneet Goel and Mr. Anil Kumar Singh as Members.

During the year, 7 (Seven) Audit Committee Meetings were held as on April 25, 2015, May 27, 2015 (two), August 5, 2015, August 25, 2015, November 7, 2015 and February 11, 2016. The necessary quorum was present for all the meetings. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of the Director	Designation	Number of Meetings held	Number of Meetings attended
Mr. Gopal Chandra Agarwal	Chairman	7	6
Mr. Navneet Goel	Member	7	6
Mr. Anil Kumar Singh	Member	7	6
Mr. Vinod Kumar Mittal*	Chairman	7	1
Mr. Jayaraman Swaminathan*	Member	7	1
Mr. Virjesh Kumar Gupta*	Member	7	1

\* During the year, Mr. Vinod Kumar Mittal, being Chairman and Mr. Jayaraman Swaminathan and Mr. Virjesh Kumar Gupta, being Members of the Audit Committee attended one Committee Meeting

Mr. Pankaj Gupta, Company Secretary of the Company acted as the Secretary to the Committee.

### B. Terms of Reference

The Committee has Audit Committee Charter. The terms of reference of the Audit Committee include inter-alia:

- Oversight of the Company's financial reporting process and the disclosure of its financial information;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to.
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the board for approval.
- Reviewing with the management the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring

agency monitoring the utilisation of proceed of a public or reight issue and making appropriate recommendations to the Board to take up steps in this matter.

- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h) Approval of the related party transactions as per policy of the Company, including granting of omnibus approval for related party transactions
- i) Scrutiny of inter-corporate loans and investments.
- j) Examination of the financial statement and the auditors' report thereon;
- k) Valuation of undertakings or assets of the company, wherever it is necessary
- l) Evaluation of internal financial controls and risk management systems. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- m) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- n) Reviewing the adequacy of internal audit function, if any, including frequency of internal audit.
- o) Discussion with internal auditors of any significant findings and follow up there on.
- p) Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- r) To review the functioning of the Vigil mechanism.
- s) Management discussion and analysis of financial condition and results of operations.
- t) The audit committee shall review the information required as per SEBI Listing Regualtions.

#### IV) NOMINATION AND REMUNERATION COMMITTEE

##### A. Composition, its Meetings and Attendance

The Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

- During the year, the composition of Nomination and Remuneration Committee has changed, with effect from February 10, 2016, the current composition of Nomination and Remuneration Committee constitutes Mr. Jayaraman Swaminathan (Chairman), Mr. Virjesh Kumar Gupta and Mr. Navin Shah as Members. Till February 9, 2016, the Committee comprises of Mr. Gopal Chandra Agarwal (Chairman), Mr. Virjesh Kumar Gupta and Mr. Navin Shah, as Member.
- During the year, 4 (Four) Nomination and Remuneration Committee Meetings were held as on April 25, 2015, August 25, 2015, November 10, 2015 and February 11, 2016. The necessary quorum was present for all the meetings. The number of meetings held and number of meetings attended by the members during the year are given below:

Name of the Director	Designation	Number of Meetings held	Number of Meetings attended
Mr. Gopal Chandra Agarwal	Chairman	4	2
Mr. Jayaraman Swaminathan*	Chairman	4	1
Mr. Virjesh Kumar Gupta	Member	4	4
Mr. Navin Shah	Member	4	2

\* During the year, Mr. Jayaraman Swaminathan, being Chairman of the Nomination and Remunertion Committee attended one Committee Meeting

- Mr. Pankaj Gupta, Company Secretary of the Company acted as the Secretary to the Committee.

##### B. Terms of Reference

The Terms of reference of Nomination and Remuneration Committee include:

- a) To identify persons who are qualified to become Directors and who may be appointed in senior

management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Directors' performance.

- b) Formulation of the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- c) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) devising a policy on diversity of board of directors
- e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- f) Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).
- g) Determine on behalf of the Board of Directors of the Company the quantum of annual increments/ incentives on the basis of performance of the Key Managerial Personnel.
- h) Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.
- i) Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.
- j) Consider other matters, as from time to time be referred to it by the Board.

#### C. Performance evaluation criteria for independent Directors.

Pursuant to the provisions of the Section 134 (3)(p) of the Companies Act, 2013 read with Regulation SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration committee carried out the annual performance evaluation of its Directors individually including the Chairman, and the Board accordingly evaluated the overall effectiveness of the Board of Directors, including its committees based on the ratings given by the Nomination and Remuneration Committee of the Company.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as Knowledge to perform the role; Time and level of participation; Performance of duties and level of oversight; and Professional conduct and independence.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was also carried out by the Independent Directors.

The Directors expressed their satisfaction to the above.

#### D. Remuneration of Directors

The table below shows the amount paid to the Executive Directors of the Company for the Financial Year 2015-16:

Name	Mr. Hari Chand Aggarwal	Mr. Rajesh Aggarwal	Mrs. Nikunj Aggarwal
Designation	Chairman cum Whole-time Director	Managing Director	Whole time Director
Salary & Allowances (₹ in Lac)	74.10	62.70	15.20
Bonus/Performance Incentive (₹ in Lac)	3.90	3.30	0.80
Perquisites (₹ in Lac)	4.30	3.70	1.12
Retiral Benefits** (in ₹)	-	-	-
Stock options	-	-	-
Tenure	5 years	5 years	5 years
Notice Period & Severance Pay	One Month	One Month	One Month
Performance Criteria	As per Agreement	As per Agreement	As per Agreement

**\*\*The above figures do not include provisions for gratuity and premium paid for Group Health Insurance as separate actuarial valuation/premium paid is not available.**

The details of the number of shares held by the Independent Directors are given in Table 1 above.



## V. STAKEHOLDERS RELATIONSHIP COMMITTEE

### A. Composition, its Meetings and Attendance

- During the year, the Stakeholder's Relationship Committee has changed, with effect from February 10, 2016, the current composition of Nomination and Remuneration Committee constitutes Mr. Virjesh Kumar Gupta (Chairman), Mr. Navin Shah and Mr. Vinod Kumar Mittal as Members. Till February 9, 2016, the Committee comprises of Mr. Navneet Goel (Chairman), Mr. Virjesh Kumar Gupta and Mr. Anil Kumar Singh as Members.
- During the year, 5 (Five) Stakeholders Relationship Committee Meetings were held as on April 25, 2015, May 27, 2015, August 5, 2015, November 7, 2015 and February 11, 2016. The necessary quorum was present for all the meetings. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of the Director	Designation	Number of Meetings held	Number of Meetings attended
Mr. Navneet Goel	Chairman	5	4
Mr. Virjesh Kumar Gupta*	Member/Chairman	5	5
Mr. Anil Kumar Singh	Member	5	4
Mr. Navin Shah	Member	5	1
Mr. Vinod Kumar Mittal	Member	5	1

\* During the year, Mr. Virjesh Kumar Gupta, being Chairman of the Stakeholders Relationship Committee attended one Committee Meeting

Mr. Pankaj Gupta, Company Secretary of the Company acted as the Secretary to the Committee.

### B. Terms of Reference

The Terms of reference of Stakeholders Relationship Committee include:

- To consider and resolve the grievances of Security holders of the Company.
- To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters.
- To look into and redress the Shareholders / investors grievances relating to:
  - Transfer of shares;
  - Non-receipt of dividends;
  - Non-receipt of annual reports; and
  - Any other complaint concerning the Shareholders / investors
- The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.
- Such other matters as may be required, from time to time, by any statutory or regulatory authority to be attended by the Committee;
- Consider other matters, as from time to time be referred to it by the Board

### C. Details of No. of Shareholder's complaint received, No. of Complaints not solved to the satisfaction of shareholders and No. of pending complaints

Sl. No.	Nature of Complaints	Received	Resolved	Pending
1	Non-receipt of Dividend Warrants in respect of Shares	One	One	Nil
2	Non- receipt of Annual Report	One	One	Nil
3	Non-receipt of Bonus Shares	Three	Three	
	Total	Five	Five	Nil

### D. Compliance officer

Mr. Pankaj Gupta, Company Secretary of the Company is Compliance officer.

## VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### A. Composition, its Meetings and Attendance

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Hari Chand Aggarwal (Chairman), Mr. Rajesh Aggarwal, Mr. Virjesh Kumar Gupta and Mr. Ashwani Aggarwal as Members.

2 (Two) meetings of the Corporate Social Responsibility Committee were held on May 25, 2015 and November 7, 2015.

Sl. No.	Name of the Director	Designation	Total meeting held during the years	Meetings attended
1.	Mr. Hari Chand Aggarwal	Chairman	2	2
2.	Mr. Rajesh Aggarwal	Member	2	1
3.	Mr. Virjesh Kumar Gupta	Member	2	2
4.	Mr. Ashwani Aggarwal	Member	2	2

Mr. Pankaj Gupta, Company Secretary of the Company acted as the Secretary to the Committee.

### B. Terms of Reference

The Terms of reference of Corporate Social Responsibility Committee includes:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Company as per the Schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities related to CSR; and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

## VII. FINANCE COMMITTEE

### A. Composition, its Meetings and Attendance

- During the year, the Finance Committee has changed, with effect from February 10, 2016, the current composition of Finance Committee constitutes Mr. Hari Chand Aggarwal (Chairman), Mr. Virjesh Kumar Gupta and Mr. Vinod Kumar Mittal as Members. Till February 9, 2016, the Committee comprises of Mr. Hari Chand Aggarwal (Chairman), Mr. Navneet Goel, Mr. Virjesh Kumar Gupta and Mr. Anil Kumar Singh as Members.
- During the year, 4 (Four) Finance Committee Meetings were held as on June 6, 2015, August 10, 2015, February 11, 2016 and March 21, 2016. The necessary quorum was present for all the meetings. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of the Director	Designation	Number of Meetings held	Number of Meetings attended
Mr. Hari Chand Aggarwal	Chairman	4	4
Mr. Virjesh Kumar Gupta	Member	4	4
Mr. Anil Kumar Singh	Member	4	2
Mr. Navneet Goel	Member	4	2
Mr. Vinod Kumar Mittal	Member	4	2

Mr. Pankaj Gupta, Company Secretary of the Company acted as the Secretary to the Committee.

### B. Terms of Reference

The Terms of reference of Finance Committee include:

- discuss and accept proposal for fresh sanction, renewal or enhancement of limits upto a total borrowing level of INR 800 Crore;
- discuss and accept sanction letters of banks;
- give authority for creation, modification, satisfaction of charge on assets of the company, hypothecation

on movable and immovable assets of the company;

- iv) recommend, discuss and approve the opening and closing the various accounts with banks;
- v) discuss on appoint and deletion the authorised signatory(ies) from the bank accounts;
- vi) discuss and approve appointment of authorized persons to sign & execute the documents and papers relating to banking and other financial matters; and
- vii) discuss other banking and financial matters.

#### • **SUBSIDIARY COMPANIES**

During the year under review, the Company does not have any subsidiary company. Therefore, there is no requirement of reviewing the financial statements of unlisted company by Audit Committee.

#### • **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.

### **GENERAL BODY MEETINGS**

#### **A. Annual General Meetings**

During the preceding three years, the Company's Annual General Meetings were held at M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110 054.

The date and time of Annual General Meetings held during last three years, and whether any special resolution(s) passed thereat, is/are as follows:

Year	Date	Venue	Time	Special Resolution Passed
2013	August 27, 2013	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	9.30 A.M.	Yes
2014	September 19, 2014	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	1.00 P.M.	Yes
2015	September 22, 2015	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	1.00 P.M.	No

#### **B. Special Resolution passed through Postal Ballot**

During the year under review, no special resolution has been passed through the exercise of postal ballot.

No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting of the Company.

#### • **DISCLOSURES**

##### **A. Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large**

The details of related party transactions with the Company are given in Note No. 35 of the Notes to Accounts of the Company. Besides this, the Company has no material transaction with the related parties' viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

The Audit Committee has set out the criteria for granting approval to related party transactions which are repetitive in nature for the period of one year i.e. 2015-16 under the category of Omnibus transaction pursuant to Regulation 23 of LODR, 2015. The transactions as approved by the Audit Committee were entered at Arm's Length Price and were in ordinary course of business of the Company. These transactions have been disclosed in the Notes to Accounts of the Company.

##### **B. <http://www.insecticidesindia.com/Policy/RELATED%20PARTY%20TRANSACTION%20FINAL.pdf> Disclosure of Accounting Treatment**

There has not been any change in accounting policies of the Company during the year while preparing the annual financial statements for the year ended on March 31, 2016.



**C. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets during last three years.**

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

**D. Vigil Mechanism (Whistle Blower) Policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. No personnel has been denied access to the Audit Committee. [http://www.insecticidesindia.com/Policy/VIGIL%20MECHANISM%20\(WHISTLE%20BLOWER\)%20POLICY%2028.01.2015.pdf](http://www.insecticidesindia.com/Policy/VIGIL%20MECHANISM%20(WHISTLE%20BLOWER)%20POLICY%2028.01.2015.pdf)

**E. Adoption of Mandatory and Non- Mandatory Requirements of SEBI Listing Regulations**

The Company has complied with all the mandatory requirements of the provisions of SEBI Listing Regulations. Further, the Company had not adopted any non-mandatory requirements as mentioned in the SEBI Listing Regulations.

**F. Proceeds from Public Issue, Rights Issue, Preferential Issues, etc.**

The Company has not done any further issue of shares during the period under review.

**G. Managing Director/CFO Certification**

A certificate, in accordance with the requirements of SEBI Listing Regulations, duly signed by the Managing Director and Chief Financial Officer (CFO) in respect of the financial year 2015-16, review by the Audit Committee and was placed before the Board and taken on record by it.

**H. 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 SEBI Listing Regulations. This certificate is attached with the Boards' Report and will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

**MEANS OF COMMUNICATION**

**A. Quarterly Results**

The Company's quarterly results are published in 'Business Standard (English)' and 'Business Standard (Hindi)', and are displayed on its website ([www.insecticidesindia.com](http://www.insecticidesindia.com)).

**B. News Releases, Presentations, among others**

Official news releases and official media releases are sent to Stock Exchanges.

**C. Presentations to Institutional Investors / Analysts**

The Company has displayed the presentations on the website ([www.insecticidesindia.com](http://www.insecticidesindia.com))

**D. Website**

The Company's official news and other important investor related information are periodically displayed and updated on the company's website ([www.insecticidesindia.com](http://www.insecticidesindia.com)). Also, the website of the Company contains a separate dedicated section 'Investor Desk' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting:

- (i) **Date, Time and Venue** : Wednesday, September 21, 2016  
11:30A.M.  
M. P. C. U. Shah Auditorium, Civil Lines, Delhi – 110 054

As required Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM held on Wednesday, September 21, 2016.

- (ii) **Financial year** : April 01, 2015 to March 31, 2016
- (iii) **Date of Book Closure** : September 17, 2016 to September 21, 2016  
(Both days inclusive)
- (iv) **Dividend Payment Date** : Interim dividend paid to the shareholders within period.
- (v) **Listing on Stock Exchanges** : **BSE 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 2016-17, has been paid by the Company to BSE and NSE.  
Annual custodian charges of Depository have also been paid to NSDL and CDSL.
- (vi) **Stock Code** : 532851–Bombay Stock Exchange Ltd.
- (vii) **ISIN No.** : INE 070I01018
- (viii) **Corporate Identification Number (CIN) of the Company** : L65991DL1996PLC083909
- (ix) **Market Price data:**

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 are given below:

Month	NSE			BSE		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (in Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (in Nos.)
April, 2015	947.75	468.05	366420	947.50	479.50	82302
May, 2015	563.65	479.70	368380	563.50	480.00	75208
June, 2015	597.95	484.00	1203430	599.00	485.00	210383
July, 2015	605.00	515.00	176747	605.00	516.00	63629
August, 2015	559.20	375.00	214294	559.50	375.00	53746
September, 2015	442.90	390.00	63990	440.00	390.30	28647
October, 2015	436.60	377.90	78894	436.00	382.60	23454
November, 2015	404.70	347.65	39987	403.20	349.30	18121
December, 2015	444.90	391.65	52221	444.90	393.00	24571
January, 2016	410.45	308.00	45998	409.50	297.60	30247
February, 2016	355.00	295.00	68379	354.00	297.00	40515
March, 2016	355.00	305.10	97545	342.50	306.40	22567

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

(x) **Distribution of equity shareholding as on March 31, 2016:**

Number of Shares	Holding	Percentage to Capital	Number of Accounts	Percentage to Total Accounts
1 to 100	273930	1.33	8178	71.46
101 to 500	577874	2.80	2517	21.99
501 to 1000	306735	1.48	400	3.49
1001 to 5000	539809	2.61	256	2.24
5001 to 10000	250805	1.21	34	0.30
10001 to 20000	283620	1.37	20	0.18
20001 to 30000	181910	0.88	7	0.06
30001 to 40000	238216	1.15	7	0.06
40001 to 50000	-	-	-	-
50001 to 100000	582197	2.82	9	0.08
100001 to 500000	1204637	5.83	6	0.05
500001 to Above	16228063	78.52	10	0.09
<b>TOTAL</b>	<b>20667796</b>	<b>100.00</b>	<b>11444</b>	<b>100.00</b>

(xi) **Registrar and Share Transfer Agent**

Alankit Assignments Limited  
(Unit: Insecticides (India) Limited)  
Alankit House  
1E/13, Jhandewalan Extension,  
New Delhi – 110 055  
Tel No. (011) 4254 1234  
Fax No. (011) 4254 1967  
Email: [rta@alankit.com](mailto:rta@alankit.com)

(xii) **Share Transfer System**

Shares lodged for transfer at the Registrar's address and same are normally processed and approved by Mr. Pankaj Gupta, Company Secretary of the Company and the details of the same are noted in the Stakeholders Relationship Committee.

(xiii) **Categories of equity shareholders as on March 31, 2016**

Category	No. of shares held	% of Share-holding
Promoter and Promoter Group	14209050	68.75
Mutual Funds	1603401	7.76
Banks / Financial Institutions	986569	4.77
FII's	991570	4.80
Foreign Portfolio Investor (Corporate)	59390	0.29
NRI / Foreign Nationals	89542	0.43
Corporate Bodies	752708	3.64
Trust	97	-
Indian Public	1975469	9.56
<b>TOTAL</b>	<b>20667796</b>	<b>100.00</b>

(xiv) **Dematerialization of Shares and Liquidity**

During the year under review, nil shares were dematerialized and did not affect the liquidity of the Company.



**(xv) 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.

**(xvi) Outstanding GDRs / Warrants and Convertible Bonds, Conversion Date and likely impact on Equity**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

**(xvii) Plant Locations**

Presently, your Company is a manufacturing unit and has 6 (Six) Plants located at the following places:

1. E – 442, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
2. E – 443-444, RIICO Industrial Area Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
3. SIDCO Industrial Growth Centre, Samba – 184 121 (J&K)
4. II D Centre, BattalBallian, Udhampur – 182 101 (J&K)
5. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch – 392 130 (Gujarat)
6. E-439-440, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)

**(xviii) Address for Correspondence**

Investors and Shareholders can correspond with the Registered & Corporate 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 9700 – 04  
 Fax No. (011) 2767 9700 – 04  
 Email – [investor@insecticidesindia.com](mailto:investor@insecticidesindia.com)

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**DECLARATION BY MANAGING DIRECTOR**

I, **Rajesh Aggarwal**, Managing Director of ***Insecticides (India) Limited*** hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2016 compliance with the Code of Conduct of the Company laid down for them.

Place: Delhi  
 Date: August 23, 2016

**(Rajesh Aggarwal)**  
 Managing Director  
 DIN: 00576872

**INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE**

To  
The Members of  
**Insecticides (India) Limited**  
401 – 402, Lusa Tower,  
Azadpur Commercial Complex,  
Delhi – 110 033

1. We have examined the compliance of conditions of Corporate Governance by **Insecticides (India) Limited** ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - (i) Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with Stock Exchanges for the period April 1, 2015 to November 30, 2015.
  - (ii) Clause 49 (VII) (E) of the Listing Agreements of the Company with Stock Exchanges for the period April 1, 2015 to September, 2015.
  - (iii) Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016.
  - (iv) Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. 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. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our explanation of the relevant records and 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 Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended on March 31, 2016.
5. We 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**

Place: Delhi  
Date: August 23, 2016

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

## INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of  
 INSECTICIDES (INDIA) LTD.**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Insecticides (India) Limited** ("the company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

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

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act except as stated herein below –

Name	Designation	DIN	Disqualification certificate u/s 164(2)
Mr. Navneet Goel	Independent Director	01752305	Not available
Mr. Anil Kumar Singh	Independent Director	02525852	Not available

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company is subject to Legal proceedings and claims, which has arisen in the ordinary course of business. The Company’s management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company’s results of operations or financial condition (Refer Note No-45).
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund during the year by the company.

For **MOHIT PAREKH & CO.**  
 Chartered Accountants  
 Firm Reg. No. 0002067N

**(Mohit Parekh)**  
 Partner

Membership No. 081069

Place: Delhi

Dated: May 30, 2016

### ANNEXURE A TO INDEPENDENT AUDITOR’S REPORT

(Referred to in point 1 under the heading “Report on Other Legal & Regulatory Requirements” of our report of even date)

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

- a. The Company is maintaining 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 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. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements are held in the name of the company.

#### 2. **In respect of its Inventories:**

As explained to us, the inventories have been physically verified by the management at regular intervals during the year and in our opinion the frequency of verification is reasonable. Also there was no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. The Company has not granted any loans secured or unsecured to the Companies, Firm (s), Limited liability partnerships or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
4. The company has not given any loans, investments, guarantees, and security under the provisions of Sections 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
5. According to the information and explanations given to us, the Company has not accepted any deposits from its members or from the public during the year under audit within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 & the rules framed there under to the extent notified. Therefore the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. 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 148(1) of the Companies Act 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.

**7. 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, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable except as stated herein below –

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Professions, Trades, Calling and Employments Act, 1987	Professiona tax, Vijaywada	5100	May' 2015	June 30, 2015	-	Unpaid

- b. According to the records of the Company, the disputed statutory dues aggregating to ₹ 728.16 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	₹ In Lacs
1.	Central Excise Act, 1944	Excise Duty	Sep'04 to Aug'07	Appellate Tribunal-New Delhi	186.11
2.	VAT Act	Penalty	2010-11	Appellate Authority, VAT, West Bengal	5.70
3.	VAT Act	Central sales tax	2012-13	Assisstant Commissioner, VAT, Indore	1.52
4.	VAT Act	VAT	2014-15	Deputy Commissioner (Appeals), Jaipur	21.13
5.	VAT Act	Central Sales Tax	2010-11	Commissioner Appeal, Assessing Authority, Commercial Tax Circle G, Jammu	415.77
6.	VAT Act	VAT	June 2014 to July 2015	Commercial Tax Officer, Vijaywada	97.66
7.	VAT Act	Interest for late filing	Jun-14	Commercial Tax Officer, Hyderabad	0.27

8. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans/borrowings to any financial institutions, banks or government. Further the company does not have any debentures issued/outstanding any time during the year.

9. Based on our audit procedures and according to the information and explanation given to us, the term loans availed by the company were prima facie applied for the purposes for which they were raised. No money was raised by way of initial public offer or further public offer (including debt instruments).
10. According to the information and explanations given to us, no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
13. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in Note 35 of the Financial Statements as required by the applicable accounting standard.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has made Qualified Institutional Placement of shares during the year. The requirements of Section 42 of Companies Act, 2013 have been complied with and the amounts raised have been used for the purpose for which funds were raised.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.

For **MOHIT PAREKH & CO.**  
Chartered Accountants  
Firm Reg. No. 0002067N

**(Mohit Parekh)**  
Partner

Place: Delhi  
Dated: May 30, 2016

Membership No. 081069

## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in point 2(f) under the heading "Report on Other Legal & Regulatory Requirements" of  
our report of even date)

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

We have audited the internal financial controls over financial reporting of **INSECTICIDES (INDIA) LIMITED** ("the Company") as on March 31, 2016 in conjunction with our audit of financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the



prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

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

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

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

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

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

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

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

### **Opinion**

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

For **MOHIT PAREKH & CO.**  
Chartered Accountants  
Firm Reg. No. 0002067N

**(Mohit Parekh)**

Partner

Membership No. 081069

Place: Delhi

Dated: May 30, 2016

# BALANCE SHEET AS AT MARCH 31, 2016

(₹ In Lacs)

	PARTICULARS	NOTES	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholder's funds</b>			
	(a) Share capital	3	2,066.78	1,268.30
	(b) Reserves & surplus	4	38,822.97	27,872.85
			40,889.75	29,141.15
	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	2,804.97	5,366.24
	(b) Deferred tax liabilities (net)		1,755.20	1,556.92
	(c) Other long-term liabilities	6	549.67	393.51
	(d) Long-term provisions	7	140.93	60.29
			5,250.77	7,376.96
	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	15,173.72	24,094.53
	(b) Trade payables	9	21,091.11	20,982.75
	(c) Other current liabilities	10	8,427.71	7,809.75
	(d) Short-term provisions	11	2,816.32	2,671.25
			47,508.86	55,558.28
	<b>TOTAL</b>		93,649.38	92,076.39
<b>B</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Fixed assets	12		
	(i) Tangible assets		19,134.93	20,191.86
	(ii) Intangible assets		259.61	278.98
	(iii) Capital work-in-progress		5,122.57	3,764.69
			24,517.11	24,235.53
	(b) Non-Current Investments	13	1,108.54	1,108.54
	(c) Long-term loans and advances	14	196.72	147.72
	(d) Other non-current assets	15	570.14	663.26
			26,392.51	26,155.05
	<b>Current assets</b>			
	(a) Inventories	16	35,060.38	39,140.37
	(b) Trade receivables	17	20,763.92	16,680.81
	(c) Cash and cash equivalents	18	948.20	655.73
	(d) Short-term loans and advances	19	552.61	1,114.63
	(e) Other current assets	20	9,931.76	8,329.80
			67,256.87	65,921.34
	<b>TOTAL</b>		93,649.38	92,076.39

Summary of Significant Accounting Policies  
Notes On Financial Statements

1 to 2  
3 to 54

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

## Auditor's Report

FOR AND ON BEHALF OF THE BOARD

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

**HARI CHAND AGGARWAL**  
CHAIRMAN  
DIN 00577015

**RAJESH AGGARWAL**  
MANAGING DIRECTOR  
DIN 00576872

**(MOHIT PAREKH)**  
Partner  
M.No.- 081069  
Firm Regn. No. - 002067N  
Place : Delhi  
Date : May 30, 2016

**SANDEEP AGGARWAL**  
CHIEF FINANCE OFFICER

**PANKAJ GUPTA**  
COMPANY SECRETARY

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2016**
**(₹ In Lacs)**

PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Revenue from Operations (Gross)	21	<b>104,790.72</b>	103,133.46
Less: Excise Duty		<b>5,976.19</b>	6,714.31
Revenue from operations (net)		<b>98,814.53</b>	96,419.15
Other Income	22	<b>55.61</b>	43.53
<b>Total Income (I)</b>		<b>98,870.14</b>	96,462.68
<b>EXPENSES</b>			
Cost of raw material and components consumed	23	<b>59,767.25</b>	67,963.68
Purchase of Traded Goods	24	<b>6,787.37</b>	4,962.28
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	25	<b>902.54</b>	(8,097.15)
Employee Benefits Expense	26	<b>4,006.86</b>	3,444.41
Depreciation and Amortization Expense	27	<b>1,592.54</b>	1,416.82
Finance Costs	28	<b>2,587.83</b>	3,315.69
Other Expenses	29	<b>18,237.40</b>	17,040.10
<b>Total Expenses (II)</b>		<b>93,881.79</b>	90,045.83
<b>Profit/(loss) before tax (I-II)</b>		<b>4,988.35</b>	6,416.85
<b>Tax Expenses</b>			
Current Tax		<b>701.07</b>	902.21
Mat Credit Entitlement		<b>160.45</b>	(200.00)
Deferred Tax		<b>198.28</b>	230.26
<b>Total Tax Expenses</b>		<b>1,059.80</b>	932.47
<b>Profit/(loss) for the year</b>		<b>3,928.55</b>	5,484.38
<b>Earnings per equity share [nominal value of share ₹ 10]</b>			
<b>(31 March 2015: ₹ 10)</b>			
Basic		<b>19.01</b>	43.24
Diluted		<b>20.01</b>	43.24

Summary of Significant Accounting Policies

1 to 2

Notes On Financial Statements

3 to 54

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

**Auditor's Report**

FOR AND ON BEHALF OF THE BOARD

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

**HARI CHAND AGGARWAL**  
 CHAIRMAN  
 DIN 00577015

**RAJESH AGGARWAL**  
 MANAGING DIRECTOR  
 DIN 00576872

**(MOHIT PAREKH)**  
 Partner  
 M.No.- 081069  
 Firm Regn. No. - 002067N  
 Place : Delhi  
 Date : May 30, 2016

**SANDEEP AGGARWAL**  
 CHIEF FINANCE OFFICER

**PANKAJ GUPTA**  
 COMPANY SECRETARY



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ In Lacs)

PARTICULARS	FOR THE YEAR 2015-16	FOR THE YEAR 2014-15
<b>(A) Cash Flow From Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>4,988.35</b>	6,416.85
Adjustment for		
- Depreciation	1,592.54	1,416.82
- (Profit)/ Loss on Sale of Assets	26.65	22.90
- Preliminary Expenses Written Off	6.34	-
- Interest Income	(25.00)	(35.71)
- Interest Expenses	2,053.07	2,402.06
<b>Operating Profit Before Working Capital Changes</b>	<b>8,641.95</b>	10,222.92
Adjustments for		
- (Increase)/Decrease in Trade Receivable	(4,083.11)	(3,893.38)
- (Increase)/Decrease in Inventories	4,079.99	(7,974.40)
- (Increase)/Decrease in Other Current Assets	(433.69)	(640.05)
- (Increase)/Decrease in Short Term Loans & Advances	562.02	1,779.00
- (Increase)/Decrease in Long Term Loans & Advances	(49.00)	(117.96)
- Increase/(Decrease) in Trade Payable	108.36	622.34
- Increase/(Decrease) in Long Term Liabilities	156.16	(35.42)
- Increase/(Decrease) in Other Current Liabilities	737.43	194.26
- Increase/(Decrease) in Provision for Expenses	111.33	72.47
	<b>9,831.44</b>	229.78
Less: Income Tax/ Wealth Tax	(1,343.63)	(713.87)
Less: Preliminary Expenses Incurred	(33.85)	(89.33)
<b>Net Cash From Operating Activities (A)</b>	<b>8,453.96</b>	(573.42)
<b>(B) Cash Flow From Investing Activities</b>		
- Addition to Fixed Assets	(1,958.51)	(3,347.57)
- Sale of Fixed Assets	57.75	33.98
- Interest Income	25.00	35.71
- (Addition) Disposal/Sales of Investments	-	-
<b>Net Cash From Investing Activities (B)</b>	<b>(1,875.76)</b>	(3,277.88)

<b>(C) Cash Flow From Financing Activities</b>		
- Proceeds from Issuing Share Capital with Premium	<b>8,082.10</b>	-
- Proceeds from borrowing/loans	<b>(11,195.36)</b>	6,450.87
- Interest paid	<b>(2,053.07)</b>	(2,402.06)
- Dividend Paid	<b>(930.05)</b>	(380.49)
- Distribution Tax Paid	<b>(189.35)</b>	(64.66)
<b>Net Cash From Finance Activities (c)</b>	<b>(6,285.73)</b>	3,603.66
<b>Net Cash Flow during the year (A+B+C)</b>	<b>292.47</b>	(247.64)
Cash and Cash equivalents Opening Balance	<b>655.73</b>	903.37
<b>Cash and Cash equivalents Closing Balance</b>	<b>948.20</b>	655.73

**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.

**Auditor's Report**

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

**(MOHIT PAREKH)**  
Partner  
M.No.- 081069  
Firm Regn. No. - 002067N  
Place : Delhi  
Date : May 30, 2016

**FOR AND ON BEHALF OF THE BOARD**

**HARI CHAND AGGARWAL**  
CHAIRMAN  
DIN 00577015

**SANDEEP AGGARWAL**  
CHIEF FINANCE OFFICER

**RAJESH AGGARWAL**  
MANAGING DIRECTOR  
DIN 00576872

**PANKAJ GUPTA**  
COMPANY SECRETARY

## Notes on Financial Statements for the Year Ended on March 31, 2016

### 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. The company has its primary listings on the BSE Limited and National Stock Exchange 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

These financial statements have been prepared to comply with Generally accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The Financial statements are prepared on accrual basis under the historical cost convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles.

#### B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of Assets & Liabilities, disclosure of Contingent 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 known /materialize.

#### C. TANGIBLE FIXED ASSETS (OWNED)

Fixed Assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work in Progress.

#### D. INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

#### E. LEASED ASSETS

The Company do not have any leased assets.

#### F. DEPRECIATION, AMORTISATION & DEPLETION

Depreciation on Fixed Assets has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of following assets, where useful life is different than those prescribed in Schedule II are used;

Particulars	Depreciation
Office/Godown Building (Useful Life : 60 years)	Over a period of 30 years as technically assessed
Plant & Machinery (Useful Life : 15 years)	Over a period of 20 years as technically assessed

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.

#### G. INVESTMENTS

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



## H. PURCHASES

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

## I. 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. Gross 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 interest rate applicable.

Dividend Income is recognized when the right to receive payment is established.

**Export Incentives:** Export incentives are recognized in the statement of Profit & Loss when the right to receive incentives is established in respect of exports made and when there is no significant uncertainty regarding the collection of the relevant export proceeds.

## J. FOREIGN CURRENCY TRANSACTIONS

- 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.
- 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.
- Non monetary foreign currency items are carried at cost.
- 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.

## K. RETIREMENT BENEFITS

- Contribution to provident fund and family pension fund are accounted for on accrual basis.
- The company provides for Leave Encashment Benefits. The expenses towards leave encashment 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.
- The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. 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.

## L. 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.

## M. 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.

## N. INVENTORIES

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition including excise duty wherever applicable. Fixed production overheads are based on normal capacity of production facilities. Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

## O. 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. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the statement of profit & loss in the period in which they are incurred.

**P. INTERIM DIVIDEND**

The company has paid an interim dividend of ₹ 2 per share on March 28, 2016 out of the profits of the company for the financial year 2015-16.

**Q. RESEARCH & DEVELOPMENT**

The expenditure on Research & Development for technical plants at Dahej & Chopanki 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.

**R. PROVISION FOR CURRENT & DEFERRED TAX**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing difference of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**S. 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 relate to the acquisition or construction of fixed assets, they are adjusted to the carrying cost of such assets.

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

**U.** Interest on Late Payments by the customers & to the suppliers and differential interest to the bankers are accounted for on acceptance basis.

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

**W.** 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 Units in earlier years. The company's policy is to account for subsidy 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.

**X. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

**Y. MAT CREDIT ENTITLEMENTS**

The Company is not liable to pay income tax u/s 115JA & 115JB of the Income Tax Act during the year. In terms of the Guidance Note issued by the Council of the Institute of Chartered Accountants of India "on accounting for credit available in respect to MAT under the Income Tax act", the MAT Credit available is treated as an "Asset" if the MAT credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same arises during the specified period and accordingly the necessary provisions have been made by the company during the year.

## NOTES ON FINANCIAL STATEMENTS

### 3. SHARE CAPITAL

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised Shares</b> 25000000 ( Previous Year 25000000) Equity Shares of ₹ 10 Each	<b>2,500.00</b>	2,500.00
<b>Issued, Subscribed &amp; fully Paid-up Shares</b> 20667796 ( Previous Year 12682966) Equity Shares of ₹ 10 Each	<b>2,066.78</b>	1,268.30
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>2,066.78</b>	1,268.30

**Notes:-**

- The company has allotted 63,41,483 number of Equity Shares as Bonus Shares on 25.04.15 in the ratio of 2:1 during the year and the same got listed on 08.05.2015.
- The company has further allotted 16,43,347 number of Equity shares under QIP at premium of ₹ 499.70 per share on 17.08.2015 during the year and the same got listed on 20.08.2015.

#### 3(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31.03.2016		As at 31.03.2015	
	Number of shares	(₹ In Lacs)	Number of shares	(₹ In Lacs)
At the beginning of the period	12682966	1,268.30	12682966	1,268.30
Issued during the period				
- Bonus Shares	6341483	634.15	0	-
- Qualified Institutional Placement	1643347	164.33	0	-
<b>Outstanding at the end of the period</b>	<b>20667796</b>	<b>2,066.78</b>	12682966	1,268.30

#### 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. 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.

The Company has declared ₹ 2.00 per share as Interim Dividend & paid the same on 18.03.2016.

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

Name of the Shareholder	As At 31.03.2016		As At 31.03.2015	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	5292900	25.61	3528600	27.82
Pushpa Aggarwal	2151900	10.41	1434600	11.31
Rajesh Aggarwal (HUF)	1953000	9.45	1302000	10.27
Hari Chand Aggarwal (HUF)	1494000	7.23	996000	7.85
Nikunj Aggarwal	1125000	5.44	750000	5.91
Life Insurance Corporation of India	-	-	675000	5.32



#### 4. RESERVES AND SURPLUS

(₹ In Lacs)

Particulars		As at 31.03.2016	As at 31.03.2015
(a)	<b>Securities premium account</b>	<b>10,410.18</b>	3,155.27
(b)	<b>General Reserve</b>		
	Opening balance	<b>2,718.54</b>	2,142.64
	Add: Transferred from surplus in Statement of P&L	<b>485.13</b>	641.69
	Less: Preliminary Expenses on Bonus Issue	<b>(2.15)</b>	-
	Less: Retained Earnings (Fixed Assets)	-	(65.79)
	Closing balance	<b>3,201.52</b>	2,718.54
(c)	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
	Opening balance	<b>22,323.89</b>	18,114.26
	Add: Profit / (Loss) for the year	<b>3,928.55</b>	5,484.38
	Less: Appropriations		
	Difference in Proposed final equity dividend in FY 2014-15	<b>(41.08)</b>	(475.61)
	Tax on Difference in proposed equity dividend in FY 2014-15	<b>(8.36)</b>	(96.82)
	Interim Dividend Paid {(amount per share ₹ 2 )}	<b>(413.36)</b>	-
	Tax on Interim Dividend Paid	<b>(84.16)</b>	-
	Transfer to general reserve	<b>(485.13)</b>	(641.69)
	Adjustment of pre-operative exp.	-	(60.63)
	Adjustment of Short Provision of Tax	<b>(9.08)</b>	-
	Closing balance	<b>25,211.27</b>	22,323.89
(d)	<b>Foreign Currency Translation Reserve</b>	-	(324.85)
	<b>Total Reserves and Surplus</b>	<b>38,822.97</b>	27,872.85

#### 5. LONG TERM BORROWINGS

(₹ In Lacs)

	Particulars	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
		Non-current Portion		Current Maturities	
(a)	<b>Term loans</b>				
	Indian rupee loan from banks - Vehicle Loans (secured)	<b>68.85</b>	63.39	<b>124.20</b>	102.08
	Indian rupee loan from banks - Term Loan (secured)	<b>2,397.06</b>	3,779.41	<b>1,383.66</b>	871.54
	Foreign currency loan from banks (secured)	<b>339.06</b>	1,523.44	<b>1,072.89</b>	1,571.70
(b)	<b>Loans &amp; Advances (Unsecured)</b>				
	- From Related Parties	-	-	-	-
	- From Others	-	-	-	154.90
	<b>Total Amount</b>	<b>2,804.97</b>	5,366.24	<b>2,580.75</b>	2,700.22

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

- (i) 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 10.00% to 12.50% per annum .

- (ii) The Foreign Currency outstanding loan amounting to ₹167.90 Lacs ( Previous Year - ₹ 706.25 Lacs) 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 outstanding loan is repayable in 2 quarterly instalments. The interest is to be paid on quarterly basis at Libor plus 2.50%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.
- (iii) The Foreign Currency outstanding loan amounting to ₹ 621.36 Lacs (Previous Year - ₹1367.57 Lacs) 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 (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 3 quarterly instalments . The interest is to be paid on quarterly basis at Libor plus 3.50%. Further, the company has entered into the derivative contract for hedging of interest rate swaps & 36% of currency swaps.
- (iv) The Foreign Currency outstanding loan amounting to ₹ 622.69 Lacs (Previous Year - ₹ 1021.31 Lacs) 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 (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 9 quarterly instalments . The interest is to be paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.
- (v) The Indian Rupees Term Loans outstanding amounts to ₹ 3780.72 Lacs (₹ 1050.36 Lacs + ₹ 2730.36 Lacs) (Previous Year - ₹ 4650.95 Lacs) have 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 (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These outstanding loans are repayable quarterly in 6 & 16 installments alongwith interest @ 12.50% & @ 11.95% respectively.

#### 6. OTHER LONG TERM LIABILITIES

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade / security deposits received from Customers	499.63	318.45
National Research Development Corporation (TDDP)	50.04	75.06
<b>Total Amount</b>	<b>549.67</b>	<b>393.51</b>

#### 7. LONG TERM PROVISIONS

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Provision for employee benefits:		
(i) Provision for gratuity	81.99	21.42
(ii) Provision for Leave Encashment	56.03	24.19
(b) Provision for Foreign Exchange Loss (M to M)	2.91	14.68
<b>Total Amount</b>	<b>140.93</b>	<b>60.29</b>

#### 8. SHORT TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Loans repayable on demand		
From banks (Secured)	9,811.69	13,446.17
(b) Cash credit from banks (Secured)	5,362.03	9,842.00
(c) Buyers Credit Loans (Secured)	-	806.36
<b>Total Amount</b>	<b>15,173.72</b>	<b>24,094.53</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 of the company and residential property of the 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.

#### 9. TRADE PAYABLES (₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables (including acceptances)	21,091.11	20,982.75
<b>Total Amount</b>	<b>21,091.11</b>	<b>20,982.75</b>

#### 10. OTHER CURRENT LIABILITIES (₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Current maturities of long-term borrowings	2,580.75	2,700.22
Unpaid dividend	4.11	3.93
<b>Other payables</b>		
(i) Statutory remittances (Contributions to PF and ESIC, Prof. Tax, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	260.81	282.61
(ii) Advances from customers	2,698.16	2,703.28
(iii) Cheques sent for Collection	85.70	13.70
(iv) Debtors having Credit Balance	2,118.30	1,500.31
(v) Creditors for Capital Expenditure	51.88	88.32
(vii) Expenses Payable	628.00	517.38
<b>Total Amount</b>	<b>8,427.71</b>	<b>7,809.75</b>

#### 11. SHORT TERM PROVISIONS (₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
a) <u>Provision for employee benefits</u>		
(i) Provision for bonus	163.30	145.18
(ii) Provision for Leave Encashment	2.01	1.21
(b) <u>Provision - Others:</u>		
(i) Provision for Income Tax	2,651.01	1,950.00
(ii) Provision for Wealth Tax	-	2.43
(iii) Proposed equity dividend	-	475.61
(iv) Provision for tax on proposed equity Dividend	-	96.82
<b>Total Amount</b>	<b>2,816.32</b>	<b>2,671.25</b>





### CAPITALIZED BORROWING COSTS :-

No borrowing cost has been capitalised during the year. A sum of ₹ 683.65 ( Previous Year ₹ 1005.40 ) has been transferred to Capital Work in Progress on account of borrowing cost during the year. The detail thereof is as under :

(₹ In Lacs)

PARTICULARS	31.03.2016	31.03.2015
Balance Amount included under the captioned head CWIP at the opening of the year	1,253.04	1,434.91
Amount of interest trfd. From CWIP and Capitalised in respective Assets	-	1,187.27
Amount of interest transfer for Capitalisation under the Captioned Head - CWIP	683.65	1,005.40
Balance Amount included under the captioned head CWIP at the year end	1,936.69	1,253.04

### 13. NON CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>(Long Term Investments)</b>		
<b>In Shares</b>		
<b>- Unquoted Fully paid-up-At Cost</b>		
<b>(In J.V.)</b>		
(a) OAT & IIL India Lab. (P) Ltd. (795000 Equity Shares @ ₹ 100 Each) (F.V- ₹ 100) (P.Y - 795000 Equity Shares @ ₹ 100 Each)	795.00	795.00
<b>- Quoted Fully paid-up-At Cost (Listed at Tokyo Stock Exchange)</b>		
<b>(In Parent Co. of J.V.)</b>		
(b) OAT Agrio Co.Ltd. 36400 Shares - at cost (18200 shares received during the year on split of total 18200 original shares) (P.Y. - 18200 Shares - at cost) ) ( Market Value of 1 share - 1441 Yen as on March 31, 2016) (P.Y. - Market Value of 1 share - 2210 Yen as on March 31, 2015)	313.54	313.54
<b>Total Amount</b>	<b>1,108.54</b>	<b>1,108.54</b>

### 14. LOANS AND ADVANCES (NON CURRENT)

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
	<b>Non-current</b>	
<b>Capital advances</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
<b>Security deposit</b>		
Secured, considered good	196.72	147.72
Unsecured, considered good	-	-
Doubtful	-	-
	196.72	147.72
<b>Advances recoverable in cash or kind</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
<b>Other loans and advances</b>		
Advance income-tax	-	-
Prepaid expenses	-	-
Loans & Travel Advances to employees	-	-
	-	-
<b>Total Amount</b>	<b>196.72</b>	<b>147.72</b>

**15. OTHER NON CURRENT ASSETS**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
<u>Unamortised expenses</u>		
Unamortised (Gain)/Loss on Foreign Currency	125.44	218.56
Balance of Excise Duty, cenvat, service tax, VAT, etc.	444.70	444.70
<b>Total Amount</b>	<b>570.14</b>	<b>663.26</b>

**16. INVENTORIES**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
a) Raw materials (On Weighted Average Basis)	8,012.19	11,109.53
Goods-in-transit	519.41	566.79
(b) Finished goods (Manufactured) (At Cost)	18,891.32	21,377.77
Goods-in-transit	131.57	21.02
(c) Stock-in-trade (Traded Goods) (On Weighted Average Basis)	1925.91	1619.67
(d) Packing materials (On Weighted Average Basis)	1375.85	1525.58
Goods-in-transit	25.46	12.29
(e) Semi - Finished goods (At Cost)	4125.86	2848.20
(f) Stores, Spares Parts & Fuel (On Weighted Average Basis)	49.10	52.20
Goods-in-transit	3.71	7.32
<b>Total Amount</b>	<b>35,060.38</b>	<b>39,140.37</b>

**17. TRADE RECEIVABLES**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, considered good unless stated otherwise</b>		
<u>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</u>		
Secured, considered good	-	-
Unsecured, considered good	593.17	432.89
Doubtful	-	27.05
	<b>593.17</b>	<b>459.94</b>
<u>Other Trade receivables</u>		
Secured, considered good	-	-
Unsecured, considered good	20,170.75	16,220.87
Doubtful	-	-
	<b>20,170.75</b>	<b>16,220.87</b>
<b>Total Amount</b>	<b>20,763.92</b>	<b>16,680.81</b>

**18. CASH AND CASH EQUIVALENTS**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Cash on hand	27.71	22.89
(b) Balances with banks	-	-
(i) In current accounts	683.82	396.92
(ii) In earmarked accounts	-	-
- Unpaid dividend accounts	4.11	3.93
(iii) Fixed Deposits with Bank	232.56	231.99
Including Interest Accrued of ₹ 14.53 Lacs		
<b>Total Amount</b>	<b>948.20</b>	<b>655.73</b>

**19. LOANS AND ADVANCES (CURRENT)**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
	<b>Current</b>	
<b>Capital advances</b>		
Secured, considered good	-	-
Unsecured, considered good	97.06	180.09
Doubtful	-	-
	<b>97.06</b>	<b>180.09</b>
<b>Security deposit</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or kind</b>		
Secured, considered good	437.77	914.59
Unsecured, considered good	-	-
Doubtful	-	-
	<b>437.77</b>	<b>914.59</b>
<b>Other loans and advances</b>		
Loans & Travel Advances to employees	17.78	19.95
	<b>17.78</b>	<b>19.95</b>
<b>Total Amount</b>	<b>552.61</b>	<b>1,114.63</b>

**20. OTHER CURRENT ASSETS**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
Income-tax	2,847.46	1,515.40
Prepaid expenses	112.30	82.28
Balance of Excise Duty, cenvat, service tax, VAT , etc.	5,151.04	4,908.12
MAT Credit Entitlement	1,269.55	1,430.00
Interest Subsidy Recoverable	368.32	242.18
Capital Subsidy Recoverable	21.20	-
Insurance Claim Recoverable	122.10	115.57
Preliminary Exp. not written off or adjusted	25.37	28.70
Dividend Receivable	5.44	4.40
Export Incentive Recoverable	8.98	3.15
<b>Total Amount</b>	<b>9,931.76</b>	<b>8,329.80</b>



**21. REVENUE FROM OPERATIONS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b><u>Sale of products</u></b>		
Finished goods	95,145.95	94,952.49
Traded goods	9,576.52	8,180.97
Revenue from Job Work	68.25	-
<b>Revenue from operations (Gross)</b>	<b>104,790.72</b>	<b>103,133.46</b>
Less: Excise duty	5,976.19	6,714.31
<b>Revenue from operations (Net)</b>	<b>98,814.53</b>	<b>96,419.15</b>

**DETAILS OF PRODUCTS SOLD**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b><u>Finished goods sold</u></b>		
Liquid	48,631.74	45,727.85
Powder	15,545.45	16,134.81
Granules	17,969.37	17,191.40
Technicals	12,999.39	15,898.43
<b>Total</b>	<b>95,145.95</b>	<b>94,952.49</b>
<b><u>Traded goods sold</u></b>		
Liquid	7,055.58	6,341.55
Powder	390.61	255.56
Granules	1,063.99	827.63
Raw Materials & Packing Materials	1,066.34	756.23
<b>Total</b>	<b>9,576.52</b>	<b>8,180.97</b>
<b>Grand Total</b>	<b>104,722.47</b>	<b>103,133.46</b>

**22. OTHER INCOME**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b><u>Interest Income on</u></b>		
Fixed deposits with Banks	18.85	30.91
[Tax Deducted At Source ₹ 1.87 Lacs (P.Y.- ₹ 3.08 Lacs)]		
Others	6.15	4.80
<b>Total</b>	<b>25.00</b>	<b>35.71</b>
<b><u>Sale of Scrap</u></b>	<b>6.98</b>	<b>-</b>
<b><u>Other non-operating income</u></b>	<b>23.63</b>	<b>7.82</b>
<b>Total Other Income</b>	<b>55.61</b>	<b>43.53</b>

**23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Raw Material</b>		
Inventory at the beginning of the year	11,676.32	11,949.39
Add: Purchases	50,017.36	61,227.04
	61,693.68	73,176.43
Less: inventory at the end of the year	8,531.60	11,676.32
<b>Cost of raw material consumed</b>	<b>53,162.08</b>	<b>61,500.11</b>
<b>Packing Material</b>		
Inventory at the beginning of the year	1,537.87	1,294.59
Add: Purchases	6,468.61	6,706.85
	8,006.48	8,001.44
Less: inventory at the end of the year	1,401.31	1,537.87
<b>Cost of Packing material consumed</b>	<b>6,605.17</b>	<b>6,463.57</b>
<b>Total Cost of raw material and components consumed</b>	<b>59,767.25</b>	<b>67,963.68</b>

**24. DETAILS OF PURCHASE OF TRADED GOODS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Liquid	4,948.54	3,690.39
Powder	287.72	46.91
Granules	516.58	526.46
Cost of Other Goods	1,034.53	698.52
<b>Total Amount</b>	<b>6,787.37</b>	<b>4,962.28</b>

**25. (INCREASE)/DECREASE IN INVENTORIES**
**(₹ In Lacs)**

	Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
A.	<b>(Increase)/ Decrease in Traded Goods</b>		
	Closing Stocks	1925.91	1619.67
	Less: Opening Stocks	1619.67	2167.83
	<b>(Increase)/Decrease in Closing Stock</b>	<b>(306.24)</b>	<b>548.16</b>
B.	<b>(Increase)/Decrease in Finished Goods</b>		
	Closing Stocks	18,891.32	21,377.77
	Less: Opening Stocks	21,377.77	13,681.62
	<b>(Increase)/Decrease in Closing Stock</b>	<b>2,486.45</b>	<b>(7,696.15)</b>
C.	<b>(Increase)/Decrease in Semi Finished Goods</b>		
	Closing Stocks	4,125.87	2848.19
	Less: Opening Stocks	2,848.19	1,899.03
	<b>(Increase)/Decrease in Closing Stock</b>	<b>(1,277.67)</b>	<b>(949.16)</b>
	<b>TOTAL (A+B+C)</b>	<b>902.54</b>	<b>(8,097.15)</b>

**DETAILS OF INVENTORY**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Traded goods</b>		
Liquid	115.57	1442.44
Powder	1735.68	49.30
Granules	74.66	127.93
<b>Total</b>	<b>1,925.91</b>	<b>1,619.67</b>
<b>Finished goods</b>		
Liquid	8,364.58	11,592.27
Powder	3,286.94	3,216.47
Granules	2,595.09	3,464.86
Technicals	4,644.71	3,104.17
<b>Total Amount</b>	<b>18,891.32</b>	<b>21,377.77</b>

**26. EMPLOYEE BENEFIT EXPENSE**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Salaries wages and bonus	3,602.10	3,072.84
Contribution to provident and other funds	173.23	140.68
Gratuity expense	85.56	87.58
Staff welfare expenses	145.97	143.31
<b>Total Amount</b>	<b>4,006.86</b>	<b>3,444.41</b>

**27. DEPRECIATION AND AMORTIZATION EXPENSE**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Depreciation of tangible assets	1,539.19	1,359.55
Amortization of intangible assets	53.35	57.27
<b>Total Amount</b>	<b>1,592.54</b>	<b>1,416.82</b>

**28. FINANCE COSTS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Interest</b>		
Interest on CC Limits & Buyer's Credit & Demand Loan	2,004.04	2,284.64
Interest (Others)	26.87	42.32
Interest on Term Loans	21.14	20.18
Interest on Unsecured Loans	1.02	54.92
Bank Charges	366.30	535.71
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	168.46	377.92
<b>Total Amount</b>	<b>2,587.83</b>	<b>3,315.69</b>

**29. OTHER EXPENSES**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b><u>Manufacturing Expenses :</u></b>		
Consumption of stores and spares	220.64	228.90
Job Work Charges	24.57	11.28
Power and fuel Expenses	1,149.45	1,409.74
Freight Inward	156.26	170.42
Conveyance Expenses	82.06	79.05
Repairs and Maintenance (Others)	70.75	81.76
Repairs and Maintenance (Machinery)	176.02	138.90
Repairs and Maintenance (Buildings)	12.69	31.66
Pollution Control Expenses	55.81	70.46
Entry Tax /Toll Tax	57.13	61.94
Laboratory Expenses	37.87	45.41
	<b>2,043.25</b>	<b>2,329.52</b>
<b><u>Selling &amp; Distribution Expenses :</u></b>		
Discounts & Rebates Allowed	8,207.28	7,190.10
Freight Outward	2,286.55	2,344.24
Business Promotion Expenses	1,755.32	1,718.84
Performance Incentive	256.09	200.99
Lekage/Demonstration/Testing / Tender Fees	27.96	26.87
Advertisement & Publicity Expenses	265.68	309.46
Royalty	233.48	222.18
Commission	565.17	665.92
Export Sale Expense	39.75	-
Travelling and conveyance	835.85	758.11
	<b>14,473.13</b>	<b>13,436.71</b>
<b><u>Administrative &amp; General Expenses :</u></b>		
Rent (Including Lease Rental)	251.37	157.62
Insurance	95.83	85.08
Telephone Expenses	32.36	32.45
Printing and Stationery	28.37	27.73
Legal and Professional Fees	350.39	143.30
Director Sitting Fees	13.29	9.72
Payment to Auditors (Refer Note No. 37)	25.19	24.72
Professional Tax	0.13	0.15
Electricity & Water Charges	36.10	90.44
Rates and taxes	16.86	10.65
Repairs and Maintenance (Others)	7.01	8.38
Conveyance Expenses	5.38	4.22
Postage & Telgramme Expenses	10.71	11.04
Filing Fees	0.87	12.51
Licence Fees	0.84	0.74
Office & Factory Maintenance Expenses	31.83	23.20
Membership & Subscription	12.12	4.53
Vehicle Running & Maintenance Expenses	32.48	33.87
Security Charges	81.90	73.80
Donation	9.95	24.84
TDS (Interest Paid)	0.03	0.62
Scooter Running & Maintenance Expenses	2.08	2.50
Fine & Penalties	14.31	11.11
Computer Running & Maintenance Expenses	77.61	67.86
Generator Repair & Maintenance Expenses	2.83	3.18
Books & Periodicals	0.25	0.84
Additional Sales Tax	3.69	8.36



ISO Expenses	2.84	2.00
Research & Development Expenses	365.13	308.65
Preliminary Expenses Written off	6.34	-
Petty balance Written off	7.40	(0.10)
Loss on Sale of Fixed Assets (net)	26.65	22.90
Miscellaneous Expenses	67.35	58.37
Bad debts written off	2.42	-
Prior Period Items (net)	6.13	8.59
Corporate Social Responsibility Expenses	92.98	-
	1,721.02	1,273.87
<b>Total Amount</b>	<b>18,237.40</b>	<b>17,040.10</b>

**PAYMENT TO AUDITORS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Audit Fees	13.74	13.49
Tax Audit Fees	4.58	4.49
In Other Capacity ( Taxation & Other Matters)	6.87	6.74
<b>Total Amount</b>	<b>25.19</b>	<b>24.72</b>

**30. BONUS ISSUE**

The company has allotted 63,41,483 number of Equity shares as Bonus shares on 25.04.2015 in the ratio of 2:1 during the year and the same got listed on 08.05.2015.

**31. QUALIFIED INSTITUTIONAL PLACEMENT (QIP) ISSUE**

The Company has further allotted 16,43,347 number of Equity shares under QIP at premium of ₹ 499.70 per share on 17.08.2015 during the year and the same got listed on 20.08.2015.

**32. 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:

**(₹ In Lacs)**

Particular	2015-16	2014-15
Profit after Taxation	3,928.55	5,484.39
Weighted Average Number of Equity Shares	206,67,796	126,82,966
Basic	196,32,338	126,82,966
Diluted		
Earning Per Share	₹ 19.01	₹ 43.24
Basic	₹ 20.01	₹ 43.24
Diluted		
Face Value Per Share	₹ 10	₹ 10

**33. 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 the basis of an actuarial valuation done by applying the Projected Unit Credit Method.
- 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**
**(₹ In Lacs)**

Particulars	For The Year Ended on March 31, 2016 (₹)	For The Year Ended on March 31, 2015 (₹)
<b>I. Assumptions :</b>		
Discount Rate	8.07%	8.03%
Rate of Return on Plan Assets	8.07%	8.03%
Salary Escalation	5%	5%
Attrition Rate	2% Age Related	2% Age Related
<b>II. Change in the Present Value of Defined Benefit Obligation :</b>		
Liability at the beginning of the year	319.65	215.36
Interest Cost	25.44	20.05
Current Service Cost	42.31	29.54
Benefit Paid	(26.84)	(0.39)
Actuarial (gain)/loss on obligations	42.48	55.09
Liability at the end of the year	403.04	319.65
<b>III. Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	298.23	267.52
Expected Return on Plan Assets	23.74	23.27
Contributions by Employer	25.00	9.57
Benefit Paid	(26.84)	(0.39)
Actuarial gain/(loss) on Plan Assets	0.93	(1.74)
Fair Value of Plan Assets at the end of the year	321.06	298.23
Total Actuarial Gain/(Loss) To be Recognized	41.55	56.84
<b>IV. Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	23.74	23.27
Actuarial gain/(loss) on Plan Assets	0.93	(1.74)
Actual Return on Plan Assets	24.67	21.53
<b>V. Amount Recognized in the Balance Sheet</b>		
Liability at the end of the year	(403.04)	(319.65)
Fair Value of Plan Assets at the end of the year	321.06	298.23
Difference	(81.99)	(21.42)
Unrecognized Past Service Cost	-	-
Amount Recognized in the Balance Sheet	(81.99)	(21.42)
<b>VI. Expenses Recognized in the Statement of Profit &amp; Loss</b>		
Current Service Cost	42.31	29.54
Interest Cost	1.71	(3.23)
Expected Return on Plan Asset		
Actuarial (Gain) or Loss	(41.55)	(56.84)
Expenses Recognized in the Statement of Profit & Loss	85.56	83.15
<b>VII. Balance Sheet Reconciliation</b>		
Opening Net (Liability)/Asset	(21.42)	52.15
Expense Recognized in the statement of Profit & Loss	(85.56)	(83.15)
Employers Contribution	25.00	9.57
Net (Liability)/Asset Recognized in Balance Sheet	(81.99)	(21.42)
<b>VIII. Category of Assets</b>		
Insurer Managed Funds		
<b>Total</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 Profit & Loss of year in which the related service is rendered.

### 34. 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 & Revenue".

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:

(₹ In Lacs)

Description	Formulations		Technical's		Un- Allocated		Eliminations		Total	
	15-16	14-15	15-16	14-15	15-16	14-15	15-16	14-15	15-16	14-15
<b>Segment Revenue (Sales/ Income) :</b>										
a) External Sales	85744	80401	13071	16018	-	-	-	-	98815	96419
b) Inter Segmental Sales	-	-	12767	17181	-	-	12767	17181	-	-
<b>Sales</b>	<b>85744</b>	<b>80401</b>	<b>25838</b>	<b>33199</b>	<b>-</b>	<b>-</b>	<b>12767</b>	<b>17181</b>	<b>98815</b>	<b>96419</b>
Segment Result :	-	-	-	-	7009.99	8778.01	-	-	7009.99	8778.01
Operating Profit before Interest and Taxes	-	-	-	-	7009.99	8778.01	-	-	7009.99	8778.01
Less : Interest Expenses	-	-	-	-	2053.07	2402.06	-	-	2053.07	2402.06
Add : Profit on Sale of Investment	-	-	-	-	-	-	-	-	-	-
Add : Dividend Income	-	-	-	-	6.43	5.19	-	-	6.43	5.19
Add : Interest income	-	-	-	-	25	35.71	-	-	25	35.71
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4988.35</b>	<b>6416.85</b>	<b>-</b>	<b>-</b>	<b>4988.35</b>	<b>6416.85</b>
Current Tax(Net Of MAT Credit)	-	-	-	-	1260.45	700	-	-	1260.45	700
Deferred Tax	-	-	-	-	198.28	230.26	-	-	198.28	230.26
Wealth Tax	-	-	-	-	0.06	2.43	-	-	0.06	2.43
Provision for Taxes of Earlier year	-	-	-	-	(398.99)	(0.22)	-	-	(398.99)	(0.22)
<b>Profit After Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3928.55</b>	<b>5484.39</b>	<b>-</b>	<b>-</b>	<b>3928.55</b>	<b>5484.39</b>
<b>Other Information :</b>										
Segment Assets	-	-	-	-	93649.38	92076.39	-	-	93649.38	92076.39
Segment Liabilities	-	-	-	-	47508.86	55443.79	-	-	47508.86	55443.79
Capital Expenditure	1273.43	1127.93	262.66	1998.15	422.43	221.49	-	-	1958.51	3347.57
Depreciation	580.90	490.48	861.70	773.62	149.94	152.72	-	-	1592.54	1416.82
Non-Cash Expenditure	-	-	-	-	-	-	-	-	-	-

## 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.

## 35. 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 are given herein below:

### i) RELATED PARTIES

#### A. Key Management Personnel & their Relatives :

- |                              |                              |
|------------------------------|------------------------------|
| 1. Sh. Hari Chand Aggarwal   | 9. Sh. Jayaraman Swaminathan |
| 2. Sh. Rajesh Aggarwal       | 10. Sh. Vinod Kumar Mittal   |
| 3. Ms. Nikunj Aggarwal       | 11. Sh. Sandeep Aggarwal     |
| 4. Sh. Navneet Goel          | 12. Sh. Sanjeev Aggarwal     |
| 5. Sh. Virjesh Kumar Gupta   | 13. Ms. Sonia Aggarwal       |
| 6. Sh. Gopal Chandra Agarwal | 14. Ms. Anju Aggarwal        |
| 7. Sh. Navin Shah            | 15. Sh. Pankaj Gupta         |
| 8. Sh. 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             | Firm                                  |
| 2. ISEC Organics Ltd.                | Company                               |
| 3. Evergreen Mineral Industries      | Firm                                  |
| 4. Valve & Phneumatics               | Firm                                  |
| 5. Vinod Metals Industries           | Firm                                  |
| 6. OAT & IIL India Laboratories      | Joint Venture Company Private Limited |
| 7. Crystal Crop Protection Pvt. Ltd. | Company                               |
| 8. HPM Chemicals & Fertilizers Ltd.  | Company                               |
| 9. Crop Care Federation of India     | NPO                                   |

(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)

Sl No.	Name of Related Parties	Relationship	Nature of Payment	2015-16	2014-15
1	Sh. Hari Chand Aggarwal	Chairman	Director's Remuneration & Perquisites	82.30	76.00
			Loan Taken	-	350.00
			Interest Paid	-	18.67
			Loan Repaid	-	350.00
2	Sh. Rajesh Aggarwal	Managing Director	Director's Remuneration & Perquisites	69.70	63.40
			Loan Taken	-	598.00
			Interest Paid	-	30.81
			Loan Repaid	-	598.00
3	Smt. Nikunj Aggarwal	Whole-time Director	Director's Remuneration & Perquisites	17.12	12.82
4	Sh. Vrijesh Kumar Gupta	Independent Director	Sitting Fees	2.70	1.80
5	Sh. Navneet Goel	Independent Director	Sitting Fees	2.10	1.65
6	Sh. Gopal Chandra Agarwal	Independent Director	Sitting Fees	1.95	1.95
7	Sh. Navin Shah	Independent Director	Sitting Fees	1.50	1.30
8	Sh. Jayaraman Swaminathan	Independent Director	Sitting Fees	1.00	-
9	Sh. Anil Kumar Singh	Independent Director	Sitting Fees	1.80	1.95
10	Sh. Vinod Kumar Mittal	Independent Director	Sitting Fees	0.65	-
11	ISEC Organics Ltd	Company	Rent	41.48	35.76
12	Paras Agro Industries	Firm	Purchases	39.20	31.80



13	Evergreen Mineral Industries	Firm	Purchases	120.09	82.66
14	Vinod Metal Industries	Firm	Purchases	37.60	80.13
15	Valves & Pneumatics	Firm	Purchases	2.41	4.21
16	OAT & IIL India Laboratories	Joint Venture	R & D Expense	244.44	1,274.8
			Rent Income	2.13	-
17	Crystal Crop Protection Pvt Ltd	Company	Purchases	996.40	N.A.
18	HPM Chemicals & Fertilizers Pvt Limited	Company	Purchases	374.81	N.A.
19	Smt. Sonia Aggarwal	Relative of KMP	Consultancy	8.56	6.75
20	Sh. Sanjeev Aggarwal	Relative of KMP	Salary & other benefits	15.16	14.37
21	Smt. Anju Aggarwal	Relative of KMP	Salary & other benefits	9.72	7.20
22	Sh. Sandeep Aggarwal	KMP(CFO)	Salary & other benefits	25.05	22.27
23	Sh. Pankaj Gupta	KMP(Company Secretary)	Salary & other benefits	10.99	9.58
24	Crop Care Federation of India	NPO	Membership & Subscription Sales	9.42	2.53
			Conference	1.00	-

iii) **Balance outstanding with related parties:-** (₹ In Lacs)

SI No.	Name of Related Parties	Relationship	Nature of O/S	As at 31-03-2016	As at 31-03-2015
1	Sh. Hari Chand Aggarwal	Chairman	Remuneration Payable	6.25	4.25
2	Sh. Rajesh Aggarwal	Managing Director	Remuneration Payable	5.57	3.55
3	Smt. Nikunj Aggarwal	Whole-time Director	Remuneration Payable	2.20	0.84
4	Paras Agro Industries	Firm	Trade Payable	4.49	0.80
5	Evergreen Mineral Industries	Firm	Trade Payable	(1.87)	(1.34)
6	ISEC Organics Ltd.	Company	Rent Payable	-	6.81
7	Vinod Metal Industries	Firm	Trade Payable	24.71	5.53
8	Valves Pneumatics	Firm	Trade Payable	0.08	0.94
9	Oats & IIL India Laboratories Private Limited	Joint venture Company	Rental Income	(1.95)	-
10	Crystal Crop Protection Pvt Ltd	Company	Trade Payable	134.69	296.26
11	Sh. Sandeep Aggarwal	CFO	Salary & other benefits	1.64	1.47
12	Sh. Pankaj Gupta	Company Secretary	Salary & other benefits	0.87	0.78
13	Sh. Sanjeev Aggarwal	Relative Of KMP	Salary & other benefits	1.10	1.05
14	Ms Sonia Aggarwal	Relative Of KMP	Consultancy Fees	0.65	0.52
15	Ms Anju Aggarwal	Relative Of KMP	Salary & other benefits	0.82	0.70
16	HPM Chemicals & Fertilizers Ltd.	Company	Trade Payable	-	78.22
17	Crop Care Federation of India	NPO	Membership	2.42	-

**36. DEFERRED TAX LIABILITIES**

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

Particular	As At 31.03.2016 (₹ In Lacs)	As At 31.03.2015 (₹ In Lacs)
<b>Deferred Tax Assets</b>	<b>NIL</b>	<b>NIL</b>
Deferred Tax Liabilities (Related to Depreciation)	1,755.19	1,556.92
<b>Deferred Tax Liabilities</b>		
At The End of The Year	1,755.19	1,556.92
For The Year	198.28	230.26

**37. PAYMENT TO AUDITORS : (Net Of Service Tax) (₹ In Lacs)**

Particular	2015-16	2014-15
<b>(a) Auditors</b>		
Statutory Audit Fees	12.00	12.00
Tax Audit Fees	4.00	4.00
<b>In Other Capacity</b>		
Taxation & Other Matters	6.00	6.00
<b>(b) Cost Audit Fee</b>	3.00	2.30
<b>Total Amount</b>	<b>25.00</b>	<b>24.30</b>

**38. Remittance in Foreign Currency on account of Dividend: Nil**
**39. RESEARCH & DEVELOPMENT EXPENDITURE**

A. According to the records of the company, the total expenditure incurred on R & D during the last 4 years are as follows:

• Expenditure on R & D as Per Annual report (₹ In Lacs)

F.Y.	Capital Expenditure	Recurring Expenditure	Total
2011-12	181.44	148.01	329.45
2012-13	173.57	117.93	291.5
2013-14	30.28	101.17	131.45
2014-15	127.63	308.65	436.28

B. The Expenditure incurred on Research & Development during the F.Y. 2015-16

Particulars	(₹ In Lacs)
Capital	0.37
Recurring	149.07
<b>Total</b>	<b>149.44</b>

**40. COST OF IMPORTED MATERIALS CONSUMED**
**A. RAW MATERIAL CONSUMED**

PARTICULARS	2015-16		2014-15	
	(₹ In Lacs)	Percentage	(₹ In Lacs)	Percentage
Imported	15,929.29	29.96	21,592.44	35.11
Indigenous	37,232.80	70.04	39,907.68	64.89
<b>Total Amount</b>	<b>53,162.09</b>	<b>100.00</b>	<b>61,500.12</b>	<b>100.00</b>

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

PARTICULARS	2015-16		2014-15	
	(₹ In Lacs)	Percentage	(₹ In Lacs)	Percentage
Imported	-	-	-	-
Indigenous	6,825.81	100.00	6,692.48	100.00
<b>Total Amount</b>	<b>6,825.81</b>	<b>100.00</b>	<b>6,692.48</b>	<b>100.00</b>

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

PARTICULARS	2015-16		2014-15	
	(₹ In Lacs)	Percentage	(₹ In Lacs)	Percentage
Imported	15,929.29	26.55	21,592.44	31.66
Indigenous	44,058.61	73.45	46,600.15	68.34
<b>Total Amount</b>	<b>59,987.90</b>	<b>100.00</b>	<b>68,192.59</b>	<b>100.00</b>

**41. VALUE OF IMPORTS (ON CIF BASIS)**
**(₹ In Lacs)**

PARTICULARS	2015-16	2014-15
Imported	14,695.15	19,978.52
Indigenous	14.00	177.01
<b>Total Amount</b>	<b>14,709.15</b>	<b>20,155.53</b>

**42. CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The company's policy covers current as well as proposed CSR activities to be undertaken by the company and examining their alignment with Schedule VII of the Act.

The Company proposes to implement its CSR activities in various sectors which include promoting Education, green initiatives, and facilities for senior citizens, vocational & entrepreneurship skills, medical aid & healthcare, old age homes & women hostels, art and culture, destitute care and rehabilitation, rural development projects and others.

**43. EXPENDITURE IN FOREIGN CURRENCY**
**(₹ In Lacs)**

PARTICULARS	2015-16	2014-15
Tour & Travelling Expenses	29.34	16.64
Royalty	227.50	216.76
Interest	186.50	328.86

**44. INCOME IN FOREIGN CURRENCY (FOB)**
**(₹ In Lacs)**

PARTICULARS	2015-16	2014-15
Export Sales	681.28	86.12
Dividend Income	6.43	5.19

**45. CONTINGENT LIABILITIES**
**(₹ In Lacs)**

S. No.	PARTICULARS	As At 31.03.2016	As At 31.03.2015
(a)	Letter of Credits (FLC & ILC)	7,106.87	8,825.99
(b)	Bank Guarantee	265.93	326.93
(c)	Import Bills Accepted with Banks	1,013.41	NIL
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered – Sept.,2004 to August,2007)	186.11	186.11
(e)	Sales Tax Matters	542.05	473.55
(f)	Bank charges against CC Limit (charged by bank without giving CC Limit facility- Bank has agreed to reverse the same in June'2016)	22.87	-

**(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 (e) and (f) above, the management has taken an opinion from the legal advisors / professionals engaged by them and is very much hopeful that the appeals will be decided in the favor of the company and as such, no provision thereof has been made.

**46.** Estimated amount of Contract remaining to be executed on capital accounts (net of advances) & not provided for ₹ **NIL** (Previous year ₹ **NIL**).

**47.** 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.

48. 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.
49. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India.
50. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2016 is ₹ **933.80 Lacs** (Previous Year- ₹ 1176.35 Lacs).
51. 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 2, 2006 and hence disclosure required under the said act have not been given.
52. 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.
53. 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) Units at Chopanki & Dahej are separate as well as independent units 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.
54. **DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE**
- a) The nominal amount of derivative contracts entered into by the company and outstanding as on March 31, 2016 amounts to ₹ **6500.10** Lacs (Previous Year – ₹ 2607.90 Lacs). The Category wise break-up is given below:-

(₹ In Lacs)			
S. No.	PARTICULARS	As At 31.03.2016	As At 31.03.2015
1	Interest Rate Swaps	15.09	10.94
2	Currency Swaps	775.50	2104.77
3	Options	356.09	492.19
4	Forex Contract against Import Bills Accepted	962.40	-
5	FLC hedged	4391.02	-

- b) Foreign currency exposure that are not hedged by derivatives instruments as on March 31, 2016 amounts to ₹ **1847.64** Lacs (Previous Year ₹ 6722.36 Lacs)
- c) Mark to Market Losses provided by the company in earlier year, reversed during the year amounts to ₹ **11.77** Lacs i.e. M to M as on March 31, 2016 stands at ₹ 2.91 Lacs (Previous Year- ₹ 14.68 Lacs)

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

#### Auditor's Report

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

**(MOHIT PAREKH)**  
Partner  
M.No.- 081069  
Firm Regn. No. - 002067N  
Place : Delhi  
Date : May 30, 2016

#### FOR AND ON BEHALF OF THE BOARD

**HARI CHAND AGGARWAL**  
CHAIRMAN  
DIN 00577015

**RAJESH AGGARWAL**  
MANAGING DIRECTOR  
DIN 00576872

**SANDEEP AGGARWAL**  
CHIEF FINANCE OFFICER

**PANKAJ GUPTA**  
COMPANY SECRETARY



## INDEPENDENT AUDITOR'S REPORT

To,  
 The Members of  
**INSECTICIDES (INDIA) LTD.**

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **Insecticides (India) Limited** ("the company") and its joint venture – **Oat & IIL India Laboratories Private Limited** (collectively referred to as 'the group'), comprising the consolidated balance sheet as at March 31, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the consolidated financial statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

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

### Other Matter

We did not audit the financial statements of Joint Venture, whose financial statements reflect total assets of ₹ 4,002.16 lacs as at March 31, 2016, the total revenue of ₹ 1,212.30 lacs and cash flows amounting to ₹ 258.44 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose report(s) has (have) been furnished to us, and our opinion is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors of the Company as on March 31, 2016 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its joint venture incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director of that company in terms of sub-section 2 of Section 164 of the Act except as stated herein below –

Name	Designation	DIN	Company	Disqualification certificate u/s 164(2)
Mr. Navneet Goel	Independent Director	01752305	Insecticides (India) Limited	Not available
Mr. Anil Kumar Singh	Independent Director	02525852	Insecticides (India) Limited	Not available

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; which is based on the Auditors' Reports of the Company and its joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its joint venture incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company is subject to Legal proceedings and claims, which has arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition (Refer Note No.-45).
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company incorporated in India.

**FOR MOHIT PAREKH & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 0002067N**

(Mohit Parekh)  
 Partner

Membership No. 081069

Place: Delhi  
 Dated: May 30, 2016

## ANNEXURE A TO THE AUDITOR'S REPORT

(Referred to in point 1(f) under the heading "Report on Other Legal & Regulatory Requirements" of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Insecticides (India) Limited** ('the Company') and its joint venture - **OAT & IIL India Laboratories Private Limited** which are companies incorporated in India, as of that date.

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

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

#### **Auditor's Responsibility**

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

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

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

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

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

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

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

#### **Opinion**

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

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to joint venture, incorporated in India, is based on the corresponding reports of the auditors of such joint venture incorporated in India.

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

**(MOHIT PAREKH)**  
**Partner**

**M.No.- 081069**

**Firm Regn. No. – 002067N**

**Place : Delhi**

**Dated : May 30, 2016**

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(₹ In Lacs)

	PARTICULARS	NOTES	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholder's funds</b>			
	(a) Share capital	3	2066.78	1268.30
	(b) Reserves & surplus	4	38787.84	27807.93
			40854.62	29076.23
	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	2804.97	5366.24
	(b) Deferred tax liabilities (net)		1741.19	1527.87
	(c) Other long-term liabilities	6	549.67	393.51
	(d) Long-term provisions	7	147.18	65.22
			5243.01	7352.84
	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	15173.72	24094.53
	(b) Trade payables	9	21111.44	20998.44
	(c) Other current liabilities	10	8441.30	7836.66
	(d) Short-term provisions	11	2816.72	2671.31
			47543.18	55600.94
	<b>TOTAL</b>		93640.81	92030.01
<b>B</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Fixed assets	12		
	(i) Tangible assets		19584.47	20689.71
	(ii) Intangible assets		261.16	280.66
	(iii) Capital work-in-progress		5122.57	3764.69
			24968.20	24735.06
	(b) Non-Current Investments	13	313.54	313.54
	(c) Long-term loans and advances	14	217.81	155.92
	(d) Other non-current assets	15	570.15	663.26
			26069.70	25867.78
	<b>Current assets</b>			
	(a) Inventories	16	35,060.38	39,140.37
	(b) Trade receivables	17	20773.21	16680.82
	(c) Cash and cash equivalents	18	1211.41	861.20
	(d) Short-term loans and advances	19	563.99	1125.81
	(e) Other current assets	20	9962.12	8354.03
			67571.11	66162.23
	<b>TOTAL</b>		93640.81	92030.01

### Summary of Significant Accounting Policies Notes On Financial Statements

1 to 2  
3 to 54

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

#### Auditor's Report

FOR AND ON BEHALF OF THE BOARD

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

**HARI CHAND AGGARWAL**  
CHAIRMAN  
DIN 00577015

**RAJESH AGGARWAL**  
MANAGING DIRECTOR  
DIN 00576872

**(MOHIT PAREKH)**  
Partner  
M.No.- 081069  
Firm Regn. No. - 002067N  
Place: Delhi  
Date : May 30, 2016

**SANDEEP AGGARWAL**  
CHIEF FINANCE OFFICER

**PANKAJ GUPTA**  
COMPANY SECRETARY



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ In Lacs)

PARTICULARS	NOTES	FOR THE YEAR ENDED ON MARCH 31, 2016	FOR THE YEAR ENDED ON MARCH 31, 2015
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Revenue from Operations (Gross)	21	104970.80	103235.45
Less: Excise Duty		5976.19	6714.31
Revenue from operations (net)		98,994.61	96,521.14
Other Income	22	74.92	64.78
<b>Total Revenue (I)</b>		99,069.53	96,585.92
<b>EXPENSES</b>			
Cost of raw material and components consumed	23	59767.25	67963.68
Purchase of Traded Goods	24	6787.37	4962.28
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	25	902.54	-8097.16
Employee Benefits Expense	26	4075.25	3511.10
Depreciation and amortization Expense	27	1645.79	1460.85
Finance Costs	28	2594.33	3317.65
Other expenses	29	18263.10	17080.19
<b>Total Expenses (II)</b>		94,035.63	90,198.59
<b>Profit/(loss) before tax (I-II)</b>		5,033.90	6,387.33
<b>Tax Expenses</b>			
Current Tax		709.79	902.21
Mat Credit Entitlement		152.45	-200.00
Deferred Tax		213.32	201.21
<b>Total Tax Expenses</b>		1,075.56	903.42
<b>Profit/(loss) for the year</b>		3,958.34	5,483.91
<b>Earnings per equity share [nominal value of share ₹ 10]</b>			
<b>(31 March 2015: ₹ 10)</b>			
Basic			
Diluted			

### Summary of Significant Accounting Policies Notes On Financial Statements

1 to 2  
3 to 54

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

### Auditor's Report

FOR AND ON BEHALF OF THE BOARD

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

**HARI CHAND AGGARWAL**  
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MANAGING DIRECTOR  
DIN 00576872

**(MOHIT PAREKH)**  
Partner  
M.No.- 081069  
Firm Regn. No. - 002067N  
Place: Delhi  
Date : May 30, 2016

**SANDEEP AGGARWAL**  
CHIEF FINANCE OFFICER

**PANKAJ GUPTA**  
COMPANY SECRETARY

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ In Lacs)

PARTICULARS	FOR THE YEAR 2015-16	FOR THE YEAR 2014-15
<b>(A) Cash Flow From Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>5033.90</b>	<b>6387.33</b>
<b>Adjustment for</b>		
- Depreciation	<b>1645.79</b>	1460.85
- (Profit)/ Loss on Sale of Assets	<b>31.49</b>	22.90
- Preliminary Expenses Written Off	<b>6.34</b>	-
- Interest Income	<b>(40.09)</b>	(56.71)
- Interest Expenses	<b>2,053.11</b>	2,402.06
<b>Operating Profit Before Working Capital Changes</b>	<b>8,730.53</b>	10,216.43
<b>Adjustments for</b>		
- (Increase)/Decrease in Trade Receivable	<b>(4,092.39)</b>	(3,893.38)
- (Increase)/Decrease in Inventories	<b>4,079.99</b>	(7,974.40)
- (Increase)/Decrease in Other Current Assets	<b>(338.70)</b>	(636.77)
- (Increase)/Decrease in Short Term Loans & Advances	<b>561.82</b>	1,765.15
- (Increase)/Decrease in Long Term Loans & Advances	<b>(48.39)</b>	(95.45)
- Increase/(Decrease) in Trade Payable	<b>113.00</b>	621.74
- Increase/(Decrease) in Long Term Liabilities	<b>156.16</b>	(34.06)
- Increase/(Decrease) in Other Current Liabilities	<b>724.11</b>	204.81
- Increase/(Decrease) in Provision for Expenses	<b>101.23</b>	76.85
	<b>9,987.35</b>	250.92
Less: Income Tax/ Wealth Tax	<b>(1,365.85)</b>	(714.64)
Less: Preliminary Expenses Incurred	<b>(33.85)</b>	(89.33)
<b>Net Cash From Operating Activities (A)</b>	<b>8,587.65</b>	(553.05)
<b>(B) Cash Flow From Investing Activities</b>		
- Addition to Fixed Assets	<b>(1,968.16)</b>	(3,517.89)
- Sale of Fixed Assets	<b>57.75</b>	33.98
- Interest Income	<b>40.09</b>	56.71
- (Addition) Disposal/Sales of Investments	<b>-</b>	-
<b>Net Cash From Investing Activities (B)</b>	<b>(1,870.32)</b>	(3,427.20)

<b>(C) Cash Flow From Financing Activities</b>		
- Proceeds from Issuing Share Capital with Premium	<b>8,082.10</b>	-
- Proceeds from borrowing/loans	<b>(11,276.70)</b>	6,450.87
- Interest paid	<b>(2,053.11)</b>	(2,402.06)
- Dividend Paid	<b>(930.05)</b>	(380.49)
- Distribution Tax Paid	<b>(189.35)</b>	(64.66)
<b>Net Cash From Finance Activities (c)</b>	<b>(6,367.11)</b>	3,603.66
<b>Net Cash Flow during the year (A+B+C)</b>	<b>350.22</b>	(376.61)
Cash and Cash equivalents Opening Balance	<b>861.19</b>	1,237.80
<b>Cash and Cash equivalents Closing Balance</b>	<b>1,211.41</b>	861.19
	<b>1,211.41</b>	861.19

**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.

**Auditor's Report**

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

**(MOHIT PAREKH)**

Partner  
M.No.- 081069  
Firm Regn. No. - 002067N  
Place: Delhi  
Date : May 30, 2016

**FOR AND ON BEHALF OF THE BOARD**

**HARI CHAND AGGARWAL**  
CHAIRMAN  
DIN 00577015

**RAJESH AGGARWAL**  
MANAGING DIRECTOR  
DIN 00576872

**SANDEEP AGGARWAL**  
CHIEF FINANCE OFFICER

**PANKAJ GUPTA**  
COMPANY SECRETARY

## Notes on Consolidated Financial Statements for the Year Ended on March 31, 2016

### 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. The company has its primary listings on the BSE Limited and National Stock Exchange 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.

OAT & IIL India Laboratories Private Limited was incorporated on March 06, 2013, as Joint Venture of OAT Agrio Co.Ltd. (Formerly known as Otsuka Agri Techno Co., Ltd.), Japan and Insecticides India Limited, to undertake scientific and technical research experiments, product development, bio-equivalency studies and developing New Chemical Entities (NCEs). Insecticides (India) Limited together with its joint venture, is herein after referred to as the Group.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A. ACCOUNTING CONVENTION

These financial statements have been prepared to comply with Generally accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The Financial statements are prepared on accrual basis under the historical cost convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles except for change in accounting policy for depreciation as described in Note G-Joint Venture.

#### B. PRINCIPLES OF CONSOLIDATION

The financial statements of joint venture used in the consolidation are drawn upto the same reporting date as of the company.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its joint venture have been combined on a line-by-line basis by adding together the 20% proportionate book values of like items of assets, liabilities, income & expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21-'Consolidated Financial Statements' notified by Companies (Accounting Standards) Rules, 2006.
- No accounting treatment has been given to the difference between the cost of investment in the joint venture and the Company's share of net assets at the time of acquisition of shares in the joint venture, since the shares of joint venture was acquired at cost/face value.
- The company owns 20% shares in Joint venture and as such, remaining 80% share has not been recognized.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions & other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

#### C. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of Assets & Liabilities, disclosure of Contingent 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 known /materialize.

#### D. TANGIBLE FIXED ASSETS (OWNED)

Fixed Assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work in Progress.

#### E. INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

#### F. LEASED ASSETS

The Company do not have any leased assets.

#### G. DEPRECIATION, AMORTISATION & DEPLETION

##### In case of Company :

Depreciation on Fixed Assets has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of following assets, where useful life is different than those prescribed in Schedule II are used;

Particulars	Depreciation
Office/Godown Building(Useful Life : 60 years)	Over a period of 30 years as technically assessed
Plant & Machinery(Useful Life : 15 years)	Over a period of 20 years as technically assessed



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.

**In case of Joint Venture:**

**Tangible**

Depreciation on tangible fixed assets except building has been provided on the Written Down Value (WDV) Method as per the useful life prescribed in schedule II to the Companies Act, 2013.

Building has been depreciated on the straight-line method as per the useful life prescribed in schedule II to the Companies Act, 2013

Leasehold land are amortized over the lease period.

**Intangible**

Intangible assets are amortized over a period of 5 years on straight line method.

**H. INVESTMENTS**

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

**I. PURCHASES**

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

**J. REVENUE RECOGNITION**

**In case of Company**

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

**Sales of goods:** Sales are recognized when substantial risks and rewards of ownership in the goods transferred to the buyer, usually on delivery of the goods. Gross 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 interest rate applicable.

Dividend Income is recognized when the right to receive payment is established.

**Export Incentives:** Export incentives are recognized in the statement of Profit & Loss when the right to receive incentives is established in respect of exports made and when there is no significant uncertainty regarding the collection of the relevant export proceeds.

**In case of Joint Venture-**

Revenue from Research & Development services are recognized when services are rendered and related costs are incurred.

Interest income is accounted on accrual basis.

**K. 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.

**L. RETIREMENT BENEFITS**

- a) Contribution to provident fund and family pension fund are accounted for on accrual basis.
- b) The Group provides for Leave Encashment Benefits. The expenses towards leave encashment 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.
- c) The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. 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.

**M. 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.

**N. 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.

## **O. INVENTORIES**

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition including excise duty wherever applicable. Fixed production overheads are based on normal capacity of production facilities. Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

### **In case of Joint Venture-**

Consumables, stores and spare parts have been treated as consumed during the year itself and as such no stocks thereof has been considered in the financial statement, reason being their shorter lives and small expiration period.

## **P. 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. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the statement of profit & loss in the period in which they are incurred.

## **Q. INTERIM DIVIDEND**

The company has paid an interim dividend of ₹ 2 per share on March 28, 2016 out of the profits of the company for the financial year 2015-16.

## **R. RESEARCH & DEVELOPMENT**

The expenditure on Research & Development is recognized as an expense in the Statement of Profit & Loss on an accrual basis.

Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

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.

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

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing difference of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

## **T. 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.

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

**V.** Interest on Late Payments by the customers & to the suppliers and differential interest to the bankers are accounted for on acceptance basis.

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

**X.** 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 Units in earlier years. The company's policy is to account for subsidy 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.

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

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

## **Z. MAT CREDIT ENTITLEMENTS**

The Company is not liable to pay income tax u/s 115JA & 115JB of the Income Tax Act during the year. In terms of the Guidance Note issued by the Council of the Institute of Chartered Accountants of India "on accounting for credit available in respect to MAT under the Income Tax act", the MAT Credit available is treated as an "Asset" if the MAT credit has expected future economic benefits in the form of its adjustment against the discharge of the normal tax liability if the same arises during the specified period and accordingly the necessary provisions has been made by the company during the year.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### 3. SHARE CAPITAL

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised Shares</b>		
25000000 ( Previous Year 25000000)	<b>2,500.00</b>	2,500.00
Equity Shares of ₹ 10 Each		
<b>Issued, Subscribed &amp; fully Paid-up Shares</b>		
20667796 ( Previous Year 12682966)	<b>2,066.78</b>	1,268.30
Equity Shares of ₹ 10 Each		
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>2,066.78</b>	1,268.30

#### Notes:-

- The company has allotted 63,41,483 number of Equity Shares as Bonus Shares on 25.04.15 in the ratio of 2:1 during the year and the same got listed on 08.05.2015.
- The company has further allotted 16,43,347 number of Equity shares under QIP at premium of ₹ 499.70 per share on 17.08.2015 during the year and the same got listed on 20.08.2015.

#### 3(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31.03.2016		As at 31.03.2015	
	Number of shares	(₹ In Lacs)	Number of shares	(₹ In Lacs)
At the beginning of the period	12682966	1268.30	12682966	1268.30
Issued during the period				
- Bonus Shares	6341483	634.15	-	-
- Qualified Institutional Placement	1643347	164.33	-	-
<b>Outstanding at the end of the period</b>	<b>20667796</b>	<b>2066.78</b>	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. 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.

The Company has declared ₹ 2.00 per share as Interim Dividend & paid the same on 18.03.2016.

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

Name of the Shareholder	As At 31.03.2016		As At 31.03.2015	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	5,292,900	25.61	3,528,600	27.82
Pushpa Aggarwal	2,151,900	10.41	1,434,600	11.31
Rajesh Aggarwal (HUF)	1,953,000	9.45	1,302,000	10.27
Hari Chand Aggarwal (HUF)	1,494,000	7.23	996,000	7.85
Nikunj Aggarwal	1,125,000	5.44	750,000	5.91
Life Insurance Corporation of India	-	-	675,000	5.32

#### 4. RESERVES AND SURPLUS

(₹ In Lacs)

Particulars		As at 31.03.2016	As at 31.03.2015
(a)	<b>Securities Premium Account</b>	<b>10,410.18</b>	3,155.27
(b)	<b>General Reserve</b>		
	Opening balance	<b>2,718.54</b>	2,142.64
	Add: Transferred from surplus in Statement of P&L	<b>485.13</b>	641.69
	Less: Preliminary Expenses on Bonus Issue	<b>(2.15)</b>	-
	Less: Retained Earnings (Fixed Assets)	-	(65.79)
	Closing balance	<b>3,201.52</b>	2,718.54
(c)	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
	Opening balance	<b>22,323.89</b>	18,114.26
	Add: Profit / (Loss) for the year	<b>3,928.55</b>	5,484.38
	Less: Appropriations		
	Difference in Proposed final equity dividend in FY 2014-15	<b>(41.08)</b>	(475.61)
	Tax on Difference in proposed equity dividend in FY 2014-15	<b>(8.36)</b>	(96.82)
	Interim Dividend Paid {(amount per share ₹ 2 )}	<b>(413.36)</b>	-
	Tax on Interim Dividend Paid	<b>(84.16)</b>	-
	Transfer to general reserve	<b>(485.13)</b>	(641.69)
	Adjustment of pre-operative exp.	-	(60.63)
	Adjustment of Short Provision of Tax	<b>(9.08)</b>	-
	Closing balance	<b>25176.13</b>	22258.97
(d)	<b>Foreign Currency Translation Reserve</b>	-	(324.85)
	<b>Total Reserves and Surplus</b>	<b>38787.84</b>	27807.93

#### 5. LONG TERM BORROWINGS

(₹ In Lacs)

	Particulars	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
		Non-current portion		Current maturities	
(a)	<b>Term loans</b>				
	Indian rupee loan from banks - Vehicle Loans (secured)	<b>68.85</b>	63.39	<b>124.20</b>	102.08
	Indian rupee loan from banks - Term Loan (secured)	<b>2,397.06</b>	3,779.41	<b>1,383.66</b>	871.54
	Foreign currency loan from banks (secured)	<b>339.06</b>	1,523.44	<b>1,072.89</b>	1,571.70
(b)	<b>Loans &amp; Advances (Unsecured)</b>				
	- From Related Parties	-	-	-	-
	- From Others	-	-	-	154.90
	<b>Total Amount</b>	<b>2,804.97</b>	5,366.24	<b>2,580.75</b>	2,700.22

##### 5(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 10.00% to 12.50% per annum.
- The Foreign Currency outstanding loan amounting to ₹ 167.90 Lacs ( Previous Year - ₹ 706.25 Lacs) 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 outstanding loan is repayable in 2 quarterly instalments. The interest is to be paid on quarterly basis at Libor plus 2.50%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

- (iii) The Foreign Currency outstanding loan amounting to ₹ 621.36 Lacs (Previous Year - ₹ 1367.57 Lacs) 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 (Gujrat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 3 quarterly instalments. The interest is to be paid on quarterly basis at Libor plus 3.50%. Further, the company has entered into the derivative contract for hedging of interest rate swaps & 36% of currency swaps.
- (iv) The Foreign Currency outstanding loan amounting to ₹ 622.69 Lacs (Previous Year - ₹ 1021.31 Lacs) 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 (Gujrat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 9 quarterly instalments. The interest is to be paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.
- (v) The Indian Rupees Term Loans outstanding amounts to ₹ 3780.72 Lacs (₹ 10,50.36 Lacs + ₹ 2730.36 Lacs) (Previous Year - ₹ 4650.95 Lacs) have 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 (Gujrat). Further, the loan has been guaranteed by the personal guarantee of the directors Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These outstanding loans are repayable quarterly in 6 & 16 installments alongwith interest @ 12.50% & @ 11.95% respectively.

#### 6. OTHER LONG TERM LIABILITIES (₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade / security deposits received from Customers	499.63	318.45
National Research Development Corporation (TDDP)	50.04	75.06
<b>Total Amount</b>	<b>549.67</b>	<b>393.51</b>

#### 7. LONG TERM PROVISIONS (₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Provision for employee benefits:		
(i) Provision for gratuity	86.07	24.52
(ii) Provision for Leave Encashment	58.20	26.00
b) Provision for Foreign Exchange Loss (M to M)	2.91	14.68
<b>Total Amount</b>	<b>147.18</b>	<b>65.22</b>

#### 8. SHORT TERM BORROWINGS (₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Loans repayable on demand		
From banks (Secured)	9,811.69	13,446.17
b) Cash credit from banks (Secured)	5,362.03	9,842.00
c) Buyers Credit Loans (Secured)	-	806.36
<b>Total Amount</b>	<b>15,173.72</b>	<b>24,094.53</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 of the company and residential property of the 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.

## 9. TRADE PAYABLES

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables (including acceptances)	21111.44	20998.44
<b>Total Amount</b>	<b>21111.44</b>	<b>20998.44</b>

## 10. OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Current maturities of long-term borrowings	2580.75	2709.48
Unpaid dividend	4.11	3.93
<b>Other payables</b>		
(i) Statutory remittances (Contributions to PF and ESIC, Prof. Tax, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	271.29	282.61
(ii) Advances from customers	2,698.16	2,703.28
(iii) Cheques sent for Collection	85.70	13.70
(iv) Debtors having Credit Balance	2,118.30	1,500.31
(v) Creditors for Capital Expenditure	55.04	105.97
(vii) Expenses Payable	628.00	517.38
<b>Total Amount</b>	<b>8441.30</b>	<b>7836.66</b>

## 11. SHORT TERM PROVISIONS

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Provision for employee benefits		
(i) Provision for bonus	163.30	145.17
(ii) Provision for Leave Encashment	2.41	1.27
(iii) Provision for Gratuity	0.01	0.00
(b) Provision - Others:	-	-
(i) Provision for Income Tax	2,651.01	1,950.00
(ii) Provision for Wealth Tax	-	2.43
(iii) Proposed equity dividend	-	475.61
(iv) Provision for tax on proposed equity Dividend	-	96.83
<b>Total Amount</b>	<b>2816.72</b>	<b>2671.31</b>

**12. DEPRECIATION AS PER THE COMPANIES ACT** (₹ In Lacs)

Description Of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Opening Balance as on 01.04.2015	Addition	Sale/ Adjustment	Total as on 31.03.2016	Opening Balance as on 01.04.2015	Depreciation for the year		Total as on 31.03.2016	As on 31.03.2016
						Depreciation	Written Back		
<b>(i) Tangible Assets</b>									
Free Hold Land	699.35	-	-	699.35	-	-	-	-	699.35
Lease Holds	1,367.86	-	-	1,367.86	-	-	-	-	1,367.86
Office/Godown Building	73.07	151.44	-	224.50	11.12	6.27	-	17.39	207.11
Factory Building	6,237.54	16.24	-	6,253.78	550.76	197.12	-	747.88	5,505.90
Plant & Machinery	3,978.82	17.02	3.20	3,992.64	669.69	422.09	1.99	1,089.79	2,902.85
Electrical Installation	404.50	1.69	-	406.19	106.57	44.56	-	151.13	255.06
Factory Equipments	109.01	10.74	0.13	119.63	10.56	11.01	0.04	21.53	98.09
Laboratory Equipments	411.61	1.51	4.57	408.55	90.29	45.07	2.08	133.28	275.27
Road RCC	1,618.19	-	-	1,618.19	134.08	153.72	-	287.80	1,330.40
Other Plant & Machinery	6,566.52	51.60	-	6,618.12	990.68	435.63	-	1,426.31	5,191.81
Server	110.38	1.38	29.63	82.13	41.61	13.95	25.27	30.29	51.84
Motor Cycle/ Scooter	71.98	7.36	10.37	68.96	26.92	6.15	5.34	27.72	41.24
Pollution Control Equipments	101.83	3.01	-	104.84	25.52	7.23	-	32.75	72.09
Generator	65.09	31.86	21.20	75.75	8.51	4.52	1.61	11.42	64.32
Telephone & Mobiles	13.90	2.40	1.17	15.12	6.79	2.33	0.52	8.60	6.52
Furniture & Fixtures	164.90	49.54	-	214.44	39.63	16.59	-	56.22	158.22
Electrical Fittings	398.23	0.22	-	398.44	73.26	42.01	-	115.27	283.17
Office Equipments	93.98	19.65	0.03	113.60	63.83	12.18	0.00	76.01	37.59
Computers & Accessories	155.48	10.16	6.95	158.69	98.46	24.91	6.56	116.81	41.88
Vehicles	687.04	190.84	98.35	779.53	203.98	91.47	47.80	247.65	531.88
Commercial Vehicle	17.89	-	-	17.89	3.04	2.38	-	5.41	12.48
<b>Sub Total (A)</b>	<b>23,347.15</b>	<b>566.65</b>	<b>175.60</b>	<b>23,738.20</b>	<b>3,155.29</b>	<b>1,539.19</b>	<b>91.20</b>	<b>4,603.27</b>	<b>19,134.93</b>
<b>(ii) Intangible Assets</b>									
Capitalized Software	265.93	14.11	-	280.04	129.97	32.31	-	162.28	117.77
Website	0.77	-	-	0.77	0.73	-	-	0.73	0.04
Patent, TM & Designs	209.35	19.87	-	229.22	66.37	21.04	-	87.41	141.80
<b>Sub Total (B)</b>	<b>476.05</b>	<b>33.98</b>	<b>-</b>	<b>510.03</b>	<b>197.07</b>	<b>53.36</b>	<b>-</b>	<b>250.43</b>	<b>259.61</b>
<b>Total (A+B)</b>	<b>23,823.21</b>	<b>600.63</b>	<b>175.60</b>	<b>24,248.24</b>	<b>3,352.36</b>	<b>1,592.54</b>	<b>91.20</b>	<b>4,853.70</b>	<b>19,394.54</b>
<b>Capital Goods in Transit (C)</b>									
<b>Total (A+B+C)</b>	<b>23,823.21</b>	<b>600.63</b>	<b>175.60</b>	<b>24,248.24</b>	<b>3,352.36</b>	<b>1,592.54</b>	<b>91.20</b>	<b>4,853.70</b>	<b>19,419.58</b>
<b>Previous Year Fig.</b>	<b>18,914.27</b>	<b>5,002.58</b>	<b>93.64</b>	<b>23,823.21</b>	<b>1,906.51</b>	<b>1,416.82</b>	<b>(29.03)</b>	<b>3,352.36</b>	<b>20,474.07</b>
<b>Capital Work In Progress</b>									
									<b>5,097.53</b>
									<b>3,761.46</b>

**JOINT VENTURE (OAT & IIL India Lab. (P) Limited)**

Description Of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Opening Balance as on 01.04.2015	Addition	Sale/ Adjustment	Total as on 31.03.2016	Opening Balance as on 01.04.2015	Depreciation for the year Depreciation      Written Back	As on 31.03.2016	As on 31.03.2015
<b>(i) Tangible Assets</b>								
Land (Lease Hold Building)	59.60	-	-	59.60	1.34	0.65	57.60	58.26
Building	258.71	2.33	-	261.04	11.92	0.31	248.81	246.78
Electrical Equipments	55.13	0.12	-	55.26	6.61	12.00	36.65	48.53
Furniture & Fixtures	8.67	0.16	-	8.83	1.28	1.94	5.61	7.39
Office Equipments	2.69	0.94	-	3.63	0.93	1.19	1.52	1.76
Lab Equipments	145.54	0.62	7.47	138.69	18.16	33.10	90.06	127.37
Vehicles	9.88	-	-	9.88	4.53	1.69	3.65	5.35
Computers	3.83	5.07	-	8.91	1.43	1.84	5.63	2.40
<b>Sub Total (A)</b>	<b>544.04</b>	<b>9.25</b>	<b>7.47</b>	<b>545.82</b>	<b>46.19</b>	<b>52.72</b>	<b>449.54</b>	<b>497.85</b>
<b>(ii) Intangible Assets</b>								
Computer Software	2.33	0.40	-	2.73	0.66	0.53	1.55	1.68
Sub Total (B)	2.33	0.40	-	2.73	0.66	0.53	1.55	1.68
Total (A+B)	<b>546.37</b>	<b>9.65</b>	<b>7.47</b>	<b>548.55</b>	<b>46.85</b>	<b>53.25</b>	<b>451.09</b>	<b>499.53</b>
Previous Year Fig.	74.17	472.21	-	546.37	2.82	44.03	499.53	-
<b>GRAND TOTAL</b>	<b>24,369.58</b>	<b>610.28</b>	<b>183.07</b>	<b>24,796.79</b>	<b>3,399.21</b>	<b>1,645.79</b>	<b>19,845.63</b>	<b>20,970.37</b>



### 13. NON CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>(Long Term Investments)</b>		
<b>In Shares</b>		
<b>- Unquoted Fully paid-up-At Cost</b>		
<b>(In J.V.)</b>		
(a) OAT & IIL India Lab.(P) Ltd. (795000 Equity Shares @ ₹ 100 Each) (F.V- ₹ 100) (P.Y - 795000 Equity Shares @ ₹ 100 Each)	-	-
<b>- Quoted Fully paid-up-At Cost (Listed at Tokyo Stock Exchange)</b>		
<b>(In Parent Co. of J.V.)</b>		
(b) OAT Agrio Co.Ltd. 36400 Shares - at cost (18200 shares received during the year on split of total 18200 original shares) (P. Y. - 18200 Shares - at cost) ) ( Market Value of 1 share - 1441 Yen as on March 31, 2016) (P. Y. - Market Value of 1 share - 2210 Yen as on March 31, 2015)	313.54	313.54
<b>Total Amount</b>	<b>313.54</b>	<b>313.54</b>

### 14. LOANS AND ADVANCES (NON CURRENT)

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
	<b>Non-current</b>	
<b>Capital advances</b>		
Secured, considered good-	-	-
Unsecured, considered good	-	2.93
Doubtful	-	-
	-	2.93
<b>Security deposit</b>		
Secured, considered good	199.60	148.24
Unsecured, considered good	-	-
Doubtful	-	-
	199.60	148.24
<b>Advances recoverable in cash or kind</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
<b>Other loans and advances</b>		
Advance income-tax	17.89	4.38
Prepaid expenses	0.32	0.37
Loans & Travel Advances to employees	-	-
	18.21	4.75
<b>Total Amount</b>	<b>217.81</b>	<b>155.92</b>

**15. OTHER NON CURRENT ASSETS**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
Unamortised expenses		
Unamortised (Gain)/Loss on Foreign Currency	125.44	218.55
Balance of Excise Duty, cenvat, service tax, VAT, etc.	444.71	444.71
<b>Total Amount</b>	<b>570.15</b>	<b>663.26</b>

**16. INVENTORIES**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
a) Raw materials (On Weighted Average Basis)	8012.19	11109.53
Goods-in-transit	519.41	566.79
(b) Finished goods (Manufactured) (At Cost)	18891.32	21377.77
Goods-in-transit	131.57	21.02
(c) Stock-in-trade (Traded Goods) (On Weighted Average Basis)	1925.91	1619.68
(d) Packing materials (On Weighted Average Basis)	1375.85	1525.58
Goods-in-transit	25.46	12.29
(e) Semi - Finished goods (At Cost)	4125.86	2848.19
(f) Stores, Spares Parts & Fuel (On Weighted Average Basis)	49.10	52.20
Goods-in-transit	3.71	7.32
<b>Total Amount</b>	<b>35,060.38</b>	<b>39,140.37</b>

**17. TRADE RECEIVABLES**
**(₹ In Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, considered good unless stated otherwise</b>		
<u>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</u>		
Secured, considered good	-	-
Unsecured, considered good	602.45	432.89
Doubtful	-	27.06
	<b>602.45</b>	<b>459.95</b>
<b>Other Trade Receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	20,170.76	16,220.87
Doubtful	-	-
	<b>20,170.76</b>	<b>16,220.87</b>
<b>Total Amount</b>	<b>20,773.21</b>	<b>16,680.82</b>

**18. CASH AND CASH EQUIVALENTS**

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Cash on hand	27.88	22.95
(b) Balances with banks	-	-
(i) In current accounts	713.66	439.54
(ii) In earmarked accounts	-	-
- Unpaid dividend accounts	4.11	3.93
(iii) Fixed Deposits with Bank	465.76	394.78
Including Interest Accrued of ₹ 14.53 Lacs		
<b>Total Amount</b>	<b>1,211.41</b>	<b>861.20</b>

**19. LOANS AND ADVANCES (CURRENT)**

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
	<b>Current</b>	
<b>Capital advances</b>		
Secured, considered good	-	-
Unsecured, considered good	97.06	180.09
Doubtful	-	-
	<b>97.06</b>	<b>180.09</b>
<b>Security deposit</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or kind</b>		
Secured, considered good	448.70	925.28
Unsecured, considered good	-	-
Doubtful	-	-
	<b>448.70</b>	<b>925.28</b>
<b>Other loans and advances</b>		
Loans & Travel Advances to employees	18.23	20.44
	<b>18.23</b>	<b>20.44</b>
<b>Total Amount</b>	<b>563.99</b>	<b>1,125.81</b>

**20. OTHER CURRENT ASSETS**

(₹ In Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Income-tax	2,847.46	1,515.40
Prepaid expenses	115.74	83.69
Balance of Excise Duty, cenvat, service tax, VAT, etc.	5,160.32	4,919.61
MAT Credit Entitlement	1,277.55	1,430.00
Interest Subsidy Recoverable	368.32	242.18
Capital Subsidy Recoverable	21.20	-
Insurance Claim Recoverable	122.10	115.57
Preliminary Exp. not written off or adjusted	25.37	28.70
Dividend Receivable	5.44	4.40
Export Incentive Recoverable	8.98	3.15
Interest recoverable	9.64	11.33
<b>Total Amount</b>	<b>9,962.12</b>	<b>8,354.03</b>

**21. REVENUE FROM OPERATIONS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Sale of products</b>		
Finished goods	95145.95	94952.49
Traded goods	9576.52	8180.98
Revenue from Job Work	68.25	-
Income from research & development services	180.08	101.90
<b>Revenue from operations (Gross)</b>	<b>104970.80</b>	<b>103235.45</b>
Less: Excise duty	5976.19	6714.31
<b>Revenue from operations (Net)</b>	<b>98994.61</b>	<b>96521.14</b>

**DETAILS OF PRODUCTS SOLD**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Finished goods sold</b>		
Liquid	48631.74	45727.85
Powder	15545.45	16134.81
Granules	17969.37	17191.40
Technicals	12999.39	15898.43
<b>Total</b>	<b>95,145.95</b>	<b>94,952.49</b>
<b>Traded goods sold</b>		
Liquid	7055.58	6341.55
Powder	390.61	255.56
Granules	1063.99	827.63
Raw Materials & Packing Materials	1066.34	756.23
<b>Total</b>	<b>9,576.52</b>	<b>8,180.98</b>
<b>Total Amount</b>	<b>104,722.47</b>	<b>103,133.46</b>

**22. OTHER INCOME**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Interest income on</b>		
Fixed deposits with Bank	33.94	51.91
[Tax Deducted At Source ₹ 1,87,007 (P.Y.- ₹ 3,08,477)]	-	-
Others	10.38	5.04
<b>Total</b>	<b>44.32</b>	<b>56.95</b>
<b>Sale of Scrap</b>	<b>6.98</b>	<b>-</b>
<b>Other non-operating income</b>	<b>23.62</b>	<b>7.83</b>
<b>Total Other Income</b>	<b>74.92</b>	<b>64.78</b>



**23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Raw Material</b>		
Inventory at the beginning of the year	11676.32	11949.39
Add: Purchases	50017.36	61227.05
	61693.68	-
Less: inventory at the end of the year	8531.60	11676.32
<b>Cost of raw material consumed</b>	<b>53,162.08</b>	<b>61500.11</b>
<b>Packing Material</b>		
Inventory at the beginning of the year	1537.87	1294.59
Add: Purchases	6468.60	6706.86
	8006.47	8001.45
Less: inventory at the end of the year	1401.30	1537.87
<b>Cost of Packing material consumed</b>	<b>6,605.17</b>	<b>6,463.57</b>
<b>Total Cost of raw material and components consumed</b>	<b>59,767.25</b>	<b>67963.68</b>

**24. DETAILS OF PURCHASE OF TRADED GOODS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Liquid	4948.54	3690.39
Powder	287.72	46.91
Granules	516.59	526.46
Cost of Other Goods	1034.52	698.52
<b>Total Amount</b>	<b>6787.37</b>	<b>4962.28</b>

**25. (INCREASE)/DECREASE IN INVENTORIES**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>A. (Increase)/ Decrease in Traded Goods</b>		
Closing Stocks	1925.92	1619.68
Less: Opening Stocks	1619.68	2167.83
<b>(Increase)/Decrease in Closing Stock</b>	<b>(306.24)</b>	<b>548.15</b>
<b>B. (Increase)/Decrease in Finished Goods</b>		
Closing Stocks	18891.32	21377.77
Less: Opening Stocks	21377.77	13681.62
<b>(Increase)/Decrease in Closing Stock</b>	<b>2,486.45</b>	<b>(7,696.15)</b>
<b>C. (Increase)/Decrease in Semi Finished Goods</b>		
Closing Stocks	4125.86	2848.19
Less: Opening Stocks	2848.18	1899.03
<b>(Increase)/Decrease in Closing Stock</b>	<b>(1,277.67)</b>	<b>(949.16)</b>
<b>TOTAL (A+B+C)</b>	<b>902.54</b>	<b>(8,097.16)</b>

**DETAILS OF INVENTORY**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Traded goods</b>		
Liquid	115.57	1442.44
Powder	1735.68	49.31
Granules	74.66	127.93
<b>Total</b>	<b>1,925.09</b>	<b>1,619.68</b>
<b>Finished goods</b>		
Liquid	8364.58	11592.27
Powder	3286.94	3216.47
Granules	2595.08	3464.86
Technicals	4644.71	3104.17
<b>Total Amount</b>	<b>18,891.32</b>	<b>21,377.77</b>

**26. EMPLOYEE BENEFIT EXPENSE**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Salaries wages and bonus	3664.86	3132.90
Contribution to provident and other funds	175.57	144.46
Gratuity expense	85.56	87.58
Staff welfare expenses	149.26	146.16
<b>Total Amount</b>	<b>4,075.25</b>	<b>3,511.10</b>

**27. DEPRECIATION AND AMORTIZATION EXPENSE**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Depreciation of tangible assets	1592.43	1403.58
Amortization of intangible assets	53.36	57.27
<b>Total Amount</b>	<b>1,645.79</b>	<b>1,460.85</b>

**28. FINANCE COSTS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Interest</b>		
Interest on CC Limits & Buyer's Credit & Demand Loan	2004.04	2284.64
Interest (Others)	26.91	42.32
Interest on Term Loans	21.14	20.18
Interest on Unsecured Loans	1.02	54.92
<b>Bank Charges</b>	<b>366.30</b>	<b>535.71</b>
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	174.92	379.88
<b>Total Amount</b>	<b>2,594.33</b>	<b>3,317.65</b>

## 29. OTHER EXPENSES

(₹ In Lacs)

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
<b>Manufacturing Expenses :</b>		
Consumption of stores and spares	235.77	256.95
Job Work Charges	24.57	11.28
Power and fuel Expenses	1160.22	1414.14
Freight Inward	156.26	170.42
Conveyance Expenses	82.07	79.05
Repairs and Maintenance (Others)	72.25	82.17
Repairs and Maintenance (Machinery)	176.02	138.90
Repairs and Maintenance (Buildings)	12.69	31.66
Pollution Control Expenses	55.81	70.46
Entry Tax /Toll Tax	57.13	61.94
Laboratory Expenses	37.87	45.41
	<b>2,070.66</b>	<b>2,362.38</b>
<b>Selling &amp; Distribution Expenses :</b>		
Discounts & Rebates Allowed	8207.28	7190.10
Freight Outward	2286.55	2344.24
Business Promotion Expenses	1755.32	1718.84
Performance Incentive	256.09	200.99
Lekage/Demonstration/Testing / Tender Fees	27.96	26.87
Advertisement & Publicity Expenses	265.68	309.46
Royalty	233.48	222.18
Commission	565.17	665.92
Export Sale Expense	39.75	0.00
Travelling and conveyance	835.85	758.11
	<b>14,473.13</b>	<b>13,436.71</b>
<b>Administrative &amp; General Expenses :</b>		
Rent (Including Lease Rental)	251.80	157.62
Insurance	96.08	86.28
Telephone Expenses	33.58	33.72
Printing and Stationery	28.61	27.95
Legal and Professional Fees	355.03	149.42
Director Sitting Fees	13.30	9.72
Payment to Auditors (Refer Note No. 34)	27.46	26.32
Professional Tax	0.13	0.15
Electricity & Water Charges	36.10	90.44
Rates and taxes	31.80	12.12
Repairs and Maintenance (Others)	7.01	8.38
Conveyance Expenses	9.03	11.06
Postage & Telgramme Expenses	10.71	11.04
Filing Fees	0.87	12.51
Licence Fees	0.84	0.74
Office & Factory Maintenance Expenses	34.69	23.20
Membership & Subscription	12.12	4.53
Vehicle Running & Maintenance Expenses	32.48	33.87
Security Charges	83.75	74.65
Donation	9.95	24.84
TDS (Interest Paid)	0.03	0.63

Scooter Running & Maintenance Expenses	2.08	2.50
Fine & Penalties	14.31	11.11
Computer Running & Maintenance Expenses	81.20	71.96
Generator Repair & Maintenance Expenses	2.83	3.18
Books & Periodicals	0.25	0.84
Additional Sales Tax	3.69	8.36
ISO Expenses	2.84	2.00
Research & Development Expenses	322.42	285.96
Preliminary Expenses Written off	6.34	0.00
Petty balance Written off	7.40	-0.10
Loss on Sale of Fixed Assets (net)	31.49	22.90
Miscellaneous Expenses	67.56	63.89
Bad debts written off	2.42	0.72
Prior Period Items (net)	6.13	8.59
Corporate Social Responsibility Expenses	92.98	-
	1,719.31	1281.10
<b>Total Amount</b>	<b>18,263.10</b>	<b>17,080.19</b>

**PAYMENT TO AUDITORS**
**(₹ In Lacs)**

Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
Audit Fees	15.74	15.08
Tax Audit Fees	4.58	4.49
In Other Capacity ( Taxation & Other Matters)	7.14	6.75
<b>Total Amount</b>	<b>27.46</b>	<b>26.32</b>

**30. BONUS ISSUE**

The company has allotted 63,41,483 number of Equity shares as Bonus shares on 25.04.2015 in the ratio of 2:1 during the year and the same got listed on 08.05.2015.

**31. QUALIFIED INSTITUTIONAL PLACEMENT (QIP) ISSUE**

The Company has further allotted 16,43,347 number of Equity shares under QIP at premium of ₹ 499.70 per share on 17.08.2015 during the year and the same got listed on 20.08.2015.

**32. 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:

**(₹ In Lacs)**

Particular	2015-16	2014-15
Profit after Taxation	3,958.34	5,483.91
Weighted Average Number of Equity Shares		
Basic		
Diluted		
Earning Per Share		
Basic ₹		43.24
Diluted ₹		43.24
Face Value Per Share	10.00	10.00



### 33. 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 the basis of an actuarial valuation done by applying the Projected Unit Credit Method.
- 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

(₹ In Lacs)

Particulars		For The Year Ended on March 31, 2016	For The Year Ended on March 31, 2016	For The Year Ended on March 31, 2016
<b>I.</b>	<b>Assumptions :</b>			
	Discount Rate	8.07%	7.98%	
	Rate of Return on Plan Assets	8.07%	0.00%	
	Salary Escalation	5.00%	12.00%	
	Attrition Rate	2.00%	-	
	Age Related			
<b>II.</b>	<b>Change in the Present Value of Defined Benefit Obligation :</b>			
	Liability at the beginning of the year	319.65	3.11	322.76
	Interest Cost	25.44	0.25	25.69
	Current Service Cost	42.31	1.68	43.99
	Benefit Paid	(26.84)	-	(26.84)
	Actuarial (gain)/loss on obligations	42.48	(0.95)	41.53
	Liability at the end of the year	403.04	4.09	407.13
<b>III.</b>	<b>Change in the Fair Value of Plan Assets</b>			
	Fair Value of Plan Assets at the beginning of the year	298.23	-	298.23
	Expected Return on Plan Assets	23.74	-	23.74
	Contributions by Employer	25.00	-	25.00
	Benefit Paid	(26.83)	-	(26.83)
	Actuarial gain/(loss) on Plan Assets	0.93	-	0.93
	Fair Value of Plan Assets at the end of the year	321.06	-	321.06
	Total Actuarial Gain/(Loss) To be Recognized	41.55	-	41.55
<b>IV.</b>	<b>Actual Return on Plan Assets</b>			
	Expected Return on Plan Assets	23.74	-	23.74
	Actuarial gain/(loss) on Plan Assets	0.93	-	0.93
	Actual Return on Plan Assets	24.67	-	24.67
<b>V.</b>	<b>Amount Recognized in the Balance Sheet</b>			
	Liability at the end of the year	(403.04)	(4.09)	(407.13)
	Fair Value of Plan Assets at the end of the year	321.06	-	321.06
	Difference	(81.98)	(4.09)	(86.07)
	Unrecognized Past Service Cost	-	-	-
	Amount Recognized in the Balance Sheet	(81.98)	(4.09)	(86.07)

<b>VI.</b>	<b>Expenses Recognized in the Statement of Profit &amp; Loss</b>			
	Current Service Cost	42.31	1.68	43.99
	Interest Cost	1.71	0.25	1.96
	Expected Return on Plan Asset	-	-	-
	Actuarial (Gain) or Loss	41.55	(0.95)	40.59
	Expenses Recognized in the Statement of Profit & Loss	85.56	0.98	86.54
<b>VII.</b>	<b>Balance Sheet Reconciliation</b>			
	Opening Net (Liability)/Asset	(21.42)	(3.11)	(24.54)
	Expense Recognized in the statement of Profit & Loss	(85.56)	(0.98)	(86.54)
	Employers Contribution	25.00	-	25.00
	Net (Liability)/Asset Recognized in Balance Sheet	(81.99)	(4.09)	(86.07)
<b>VIII.</b>	<b>Category of Assets</b>			
	Insurer Managed Funds	-	-	-
	<b>Total</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 Profit & Loss of year in which the related service is rendered.

### 34. SEGMENT REPORTING

The Company is engaged in the business of Formulation & Manufacture of Pesticides and the company's joint venture is engaged in scientific and technical research experiments, product development, bio-equivalency studies and developing New Chemical Entities (NCEs).

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 & Revenue".

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:**
**(₹ In Lacs)**

Description	Formulations		Technical's		Un-Allocated		Eliminations		Total	
	15-16	14-15	15-16	14-15	15-16	14-15	15-16	14-15	15-16	14-15
Segment Revenue Sales/(Income) :										
a) External Sales	85744	80401	13071	16018	-	-	-	-	98815	96419
b) Inter Segmental Sales	-	-	12767	17181	-	-	12767	17181	-	-
c) Service Income	-	-	-	-	9	11	-	-	9	11
Sales	85744	80401	25838	33199	9	11	12767	17181	98824	96430
Segment Result :										
Operating Profit before Interest and Taxes	-	-	-	-	7035.89	8727.20	-	-	7035.89	8727.20
Less : Interest Expenses	-	-	-	-	2053.11	2402.06	-	-	2053.11	2402.06
Add : Profit on Sale of Investment	-	-	-	-	-	-	-	-	-	-
Add : Dividend Income	-	-	-	-	6.43	5.19	-	-	6.43	5.19
Add : Interest income	-	-	-	-	44.69	57.00	-	-	44.69	57.00
Profit Before Tax	-	-	-	-	5033.90	6387.33	-	-	5033.90	6387.33
Current Tax(Net Of MAT Credit)	-	-	-	-	1261.17	700.00	-	-	1261.17	700.00
Deferred Tax	-	-	-	-	213.32	201.21	-	-	213.32	201.21
Wealth Tax	-	-	-	-	0.06	2.43	-	-	0.06	2.43
Provision for Taxes of Earlier year	-	-	-	-	(398.99)	(0.22)	-	-	(398.99)	(0.22)
Profit After Tax	-	-	-	-	3958.34	5483.91	-	-	3958.34	5483.91
Other Information :										
Segment Assets	-	-	-	-	93640.81	92030.01	-	-	93640.81	92030.01
Segment Liabilities	-	-	-	-	47543.18	55600.95	-	-	47543.18	55600.95
Capital Expenditure	1273.43	1127.93	262.66	1998.15	432.07	693.70	-	-	1968.16	3819.78
Depreciation	580.90	490.48	861.70	773.62	203.19	196.75	-	-	1645.79	1460.85
Non-Cash Expenditure	-	-	-	-	-	-	-	-	-	-

**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.

**35. 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 are given herein below:

**i) RELATED PARTIES**
**A. Key Management Personnel & their Relatives :**

- |                              |                              |
|------------------------------|------------------------------|
| 1. Sh. Hari Chand Aggarwal   | 9. Sh. Jayaraman Swaminathan |
| 2. Sh. Rajesh Aggarwal       | 10. Sh. Vinod Kumar Mittal   |
| 3. Ms. Nikunj Aggarwal       | 11. Sh. Sandeep Aggarwal     |
| 4. Sh. Navneet Goel          | 12. Sh. Sanjeev Aggarwal     |
| 5. Sh. Virjesh Kumar Gupta   | 13. Ms. Sonia Aggarwal       |
| 6. Sh. Gopal Chandra Agarwal | 14. Ms. Anju Aggarwal        |
| 7. Sh. Navin Shah            | 15. Sh. Pankaj Gupta         |
| 8. Sh. 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	Firm
2.	ISEC Organics Ltd.	Company
3.	Evergreen Mineral Industries	Firm
4.	Valve & Phneumatics	Firm
5.	Vinod Metals Industries	Firm
6.	OAT & IIL India Laboratories	Joint Venture Company Private Limited
7.	Crystal Crop Protection Pvt. Ltd.	Company
8.	HPM Chemicals & Fertilizers Ltd.	Company
9.	Crop Care Federation of India	NPO

**IN CASE OF JOINT VENTURE-**

**A. Key Management Personnel & their Relatives :**

- Mr. Tetsuya Imai
- Mr. Isao Tada
- Mr. M. Venkat Rao

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

- OAT Agrio Co. Ltd. Holding Company
- Insecticides India Limited Joint Venturer

(Except above, there is no other related person / party 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)**

Sl No.	Name of Related Parties	Relationship	Nature of Payment	2015-16	2014-15
IN CASE OF COMPANY					
1	Sh. Hari Chand Aggarwal	Chairman	Director's Remuneration & Perquisites Loan Taken Interest Paid Loan Repaid	82.30 - - -	76.00 350.00 18.67 350.00
2	Sh. Rajesh Aggarwal	Managing Director	Director's Remuneration & Perquisites Loan Taken Interest Paid Loan Repaid	69.70 - - -	63.40 598.00 30.81 5.98.00
3	Smt. Nikunj Aggarwal	Whole-time Director	Director's Remuneration & Perquisites	17.12	12.82
4	Sh. Vrijesh Kumar Gupta	Independent Director	Sitting Fees	2.70	1.80
5	Sh. Navneet Goel	Independent Director	Sitting Fees	2.10	1.65
6	Sh. Gopal Chandra Agarwal	Independent Director	Sitting Fees	1.95	1.95
7	Sh. Navin Shah	Independent Director	Sitting Fees	1.50	1.30
8	Sh. Jayraman Swaminathan	Independent Director	Sitting Fees	1.00	-
9	Sh. Anil Kumar Singh	Independent Director	Sitting Fees	1.80	1.95
10	Sh. Vinod Kumar Mittal	Independent Director	Sitting Fees	0.65	-
11	ISEC Organics Ltd	Company	Rent	41.48	35.76
12	Paras Agro Industries	Firm	Purchases	39.20	31.80
13	Evergreen Mineral Industries	Firm	Purchases	120.09	82.66
14	Vinod Metal Industries	Firm	Purchases	37.60	80.13
15	Valves & Pneumatics	Firm	Purchases	2.41	4.21
16	OAT & IIL India Laboratories	Joint Venture	R & D Expense Rent Income	244.45 2.13	127.48 -



17	Crystal Crop Protection Pvt Ltd	Company	Purchases	996.40	N.A.
18	HPM Chemicals & Fertilizers Pvt Limited	Company	Purchases	374.81	N.A.
19	Smt. Sonia Aggarwal	Relative of KMP	Consultancy	8.56	6.75
20	Sh. Sanjeev Aggarwal	Relative of KMP	Salary & other benefits	15.16	14.37
21	Smt. Anju Aggarwal	Relative of KMP	Salary & other benefits	9.72	7.20
22	Sh. Sandeep Aggarwal	KMP(CFO)	Salary & other benefits	25.05	22.27
23	Sh. Pankaj Gupta	KMP(Company Secretary)	Salary & other benefits	10.99	9.58
24	Crop Care Federation of India	NPO	Membership & Subscriptio	9.42	2.53
			Sales Conference	1.00	-
IN CASE OF JOINT VENTURE					
1.	OAT Agrio Co. Ltd.	Holding Company	Research & Development	180.08	101.98
			ReimbursementsTDS	(10.87)	1.95
			recoverable Other expenses	-	9.99
					1.93
2.	Insecticides (India) Limited	Joint Venturer	Research & Development	244.44	127.48
			Rent charges	2.13	-
3.	Key Management Personnel	KMP	Salary expenses	17.74	17.74
			Reimbursements	-	0.36

**iii) Balance outstanding with related parties:-**
**(₹ In Lacs)**

Sr. No.	Name of Related Parties	Relationship	Nature of O/S	As At 31-03-2016	As At 31-03-2015
IN CASE OF COMPANY					
1	Sh. Hari Chand Aggarwal	Chairman	Remuneration Payable	6.25	4.25
2	Sh. Rajesh Aggarwal	Managing Director	Remuneration Payable	5.57	3.55
3	Smt. Nikunj Aggarwal	Whole-time Director	Remuneration Payable	2.20	0.84
4	Paras Agro Industries	Firm	Trade Payable	4.49	0.80
5	Evergreen Mineral Industries	Firm	Trade Payable	(1.87)	(1.33)
6	ISEC Organics Ltd.	Company	Rent Payable	-	6.81
7	Vinod Metal Industries	Firm	Trade Payable	24.71	5.53
8	Valves Pneumatics	Firm	Trade Payable	0.08	0.94
9	Oats & IIL India Laborartories Private Limited	Joint venture Company	Rental Income	(1.94)	-
10	Crystal Crop Protection Pvt Ltd	Company	Trade Payable	134.69	296.26
11	Sh. Sandeep Aggarwal	CFO	Salary & other benefits	1.64	1.47
12	Sh. Pankaj Gupta	Company Secretary	Salary & other benefits	0.87	0.78
13	Sh. Sanjeev Aggarwal	Relative Of KMP	Salary & other benefits	1.10	1.05
14	Ms Sonia Aggarwal	Relative Of KMP	Consultancy Fees	0.65	0.52
15	Ms Anju Aggarwal	Relative Of KMP	Salary & other benefits	0.82	0.07
16	HPM Chemicals & Fertilizers Ltd.	Company	Trade Payable	-	78.22
17	Crop Care Federation of India	NPO	Membership	2.42	-
IN CASE OF JOINT VENTURE					
1.	OAT Agrio Co. Ltd.	Holding Company	Research & Development & other charges	(20.15)	(9.99)
2.	Insecticides (India) Limited	Joint Venturer	Rental charges	2.88	10.00
3.	Key Management Personnel	KMP	Remuneration Payable	(0.28)	(0.28)

**36. DEFERRED TAX LIABILITIES**
**(₹ In Lacs)**

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

Particular	As At 31.03.2016	As At 31.03.2015
<b>Deferred Tax Assets</b>	<b>NIL</b>	<b>NIL</b>
Deferred Tax Liabilities (Related to Depreciation)	<b>1741.19</b>	1527.87
<b>Deferred Tax Liabilities</b>		
At The End of The Year	<b>1741.19</b>	1527.87
For The Year	<b>213.32</b>	201.21

**37. PAYMENT TO AUDITORS : (Net Of Service Tax)**
**(₹ In Lacs)**

Particular	2015-16	2014-15
<b>(a) Auditors</b>		
Statutory Audit Fees	<b>14.20</b>	13.60
Tax Audit Fees	<b>4.00</b>	4.00
<b>In Other Capacity</b>		
Taxation & Other Matters	<b>6.07</b>	6.00
<b>(b) Cost Audit Fee</b>	<b>3.00</b>	2.00
<b>TOTAL</b>	<b>27.27</b>	25.90

**38. Remittance in Foreign Currency on account of Dividend: Nil**
**39. RESEARCH & DEVELOPMENT EXPENDITURE**

A. According to the records of the company, the total expenditure incurred on R &amp; D during the last 4 years are as follows:

- Expenditure on R & D as Per Annual report

**(₹ In Lacs)**

F.Y.	Capital Expenditure	Recurring Expenditure	Total
2011-12	181.44	148.01	329.45
2012-13	173.57	117.93	291.5
2013-14	30.28	101.17	131.45
2014-15	127.63	308.65	436.28

B. The Expenditure incurred on Research &amp; Development during the F.Y. 2015-16

Particulars	(₹ In Lacs)
Capital	0.37
Recurring	149.07
<b>Total</b>	<b>149.44</b>

**40. COST OF IMPORTED MATERIALS CONSUMED**
**A. RAW MATERIAL CONSUMED**

PARTICULARS	2015-16		2014-15	
	(₹ In Lacs)	Percentage	(₹ In Lacs)	Percentage
Imported	<b>15929.29</b>	<b>29.96</b>	21592.44	35.11
Indigenous	<b>37232.80</b>	<b>70.04</b>	39907.68	64.89
<b>TOTAL</b>	<b>53162.09</b>	<b>100.00</b>	61500.12	100.00

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

PARTICULARS	2015-16		2014-15	
	(₹ In Lacs)	Percentage	(₹ In Lacs)	Percentage
Imported	-	-	-	-
Indigenous	6825.81	100.00	6692.48	100.00
<b>TOTAL</b>	<b>6825.81</b>	<b>100.00</b>	<b>6692.48</b>	<b>100.00</b>

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

PARTICULARS	2015-16		2014-15	
	(₹ In Lacs)	Percentage	(₹ In Lacs)	Percentage
Imported	15929.29	26.55	21592.44	31.66
Indigenous	44058.61	73.45	46600.15	68.34
<b>TOTAL</b>	<b>59987.90</b>	<b>100.00</b>	<b>68192.59</b>	<b>100.00</b>

**41. VALUE OF IMPORTS (ON CIF BASIS) (₹ In Lacs)**

PARTICULARS	2015-16	2014-15
Raw Materials	14695.15	19978.52
	14695.15	19978.52
Machinery	14.00	177.01
Spare parts	0.43	-
<b>TOTAL</b>	<b>14709.58</b>	<b>20155.53</b>

**42. CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The company's policy covers current as well as proposed CSR activities to be undertaken by the company and examining their alignment with Schedule VII of the Act.

The company proposes to implement its CSR activities in various sectors which includes promoting Education, green initiatives, facilities for senior citizens, vocational & entrepreneurship skills, medical aid & healthcare, old age homes & women hostels, art and culture, destitute care and rehabilitation, rural development projects and others.

**43. EXPENDITURE IN FOREIGN CURRENCY (₹ In Lacs)**

PARTICULARS	2015-16	2014-15
Tour & Travelling Expenses	29.34	18.62
Royalty	227.50	216.76
Interest	186.50	328.86
Software Expense	3.70	3.67
Professional fee	1.33	-

**44. INCOME IN FOREIGN CURRENCY (FOB) (₹ In Lacs)**

PARTICULARS	2015-16	2014-15
Export Sales	681.28	86.12
Export of Service	180.02	101.98
Dividend Income	6.43	5.19

**45. CONTINGENT LIABILITIES**
**(₹ In Lacs)**

S. No.	PARTICULARS	As At 31.03.2016	As At 31.03.2015
(a)	Letter of Credits (FLC & ILC)	<b>7106.87</b>	8825.99
(b)	Bank Guarantee	<b>265.93</b>	326.93
(c)	Import Bills Accepted with Banks	<b>1013.41</b>	-
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered – Sept., 2004 to August, 2007)	<b>186.11</b>	186.11
(e)	Sales Tax Matters	<b>542.05</b>	473.55
(f)	Bank charges against CC Limit (charged by bank without giving CC Limit facility- Bank has agreed to reverse the same in June' 2016)	<b>22.86</b>	-

(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 (e) and (f) above, the management has taken an opinion from the legal advisors / professionals engaged by them and is very much hopeful that the appeals will be decided in the favor of the company and as such, no provision thereof has been made.

- 46.** Estimated amount of Contract remaining to be executed on capital accounts (net of advances) & not provided for is NIL (Previous year ₹ NIL).

**IN CASE OF JOINT VENTURE (Commitments)-**

Unpaid Preference Dividend ₹ 60,040 (Previous Year – NIL)

Capital Commitments ₹ NIL (Previous Year – ₹ 151538)

- 47.** 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.
- 48.** 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.
- 49.** The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India.
- 50.** The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2016 is ₹ 933.80 Lacs (Previous Year- ₹ 1176.35 Lacs).
- 51.** 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 2, 2006 and hence disclosure required under the said act have not been given.
- 52.** 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.
- 53.** All the common expenses incurred during the year in respect of Formulation (Products) units at Chopanki, Samba, Udhampur and Dahej have been allocated at the year end in the proportion to sales (net) effected during the year. The Technical (Products) Units at Chopanki & Dahej are separate as well as independent units 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.



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

- a) The nominal amount of derivative contracts entered into by the company and outstanding as on March 31, 2016 amounts to ₹ 6500.10 Lacs (Previous Year – ₹ 2607.90 Lacs). The Category wise break-up is given below:-

(₹ In Lacs)			
S. No.	PARTICULARS	As At 31.03.2016	As At 31.03.2015
1	Interest Rate Swaps	15.09	10.94
2	Currency Swaps	775.50	2104.77
3	Options	356.09	492.19
4	Forex Contract against Import Bills Accepted	962.40	-
5	FLC hedged	4391.02	-

- b) Foreign currency exposure that are not hedged by derivatives instruments as on March 31, 2016 amounts to  
**Company** - ₹ 1847.64 Lacs (Previous Year ₹ 6722.36 Lacs)  
**Joint Venture** - ₹ 9.28 Lacs (Previous Year NIL)
- c) Mark to Market Losses provided by the company in earlier year, reversed during the year amounts to ₹ 11.77 Lacs i.e. M to M as on March 31, 2016 stands at ₹ 2.91 Lacs (Previous Year- ₹ 14.68 Lacs)

As per our separate report of even date annexed herewith

For **MOHIT PAREKH & CO.**  
Chartered Accountants

**(MOHIT PAREKH)**  
Partner

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

Place : Delhi

Date : May 30, 2016

**HARI CHAND AGGARWAL**  
CHAIRMAN

DIN 00577015

**SANDEEP AGGARWAL**  
CHIEF FINANCE OFFICER

**RAJESH AGGARWAL**  
MANAGING DIRECTOR

DIN 00576872

**PANKAJ GUPTA**  
COMPANY SECRETARY



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