insecticides (INDIA) LIMITED

TRACTOR BRAND IIL

Annual Report 2019-20

CORPORATE INFORMATION

Board and Committees – Insecticides (India) Limited

Board of Directors

Hari Chand Aggarwal
Chairman and Whole-time Director (DIN:00577015)

Rajesh Aggarwal
Managing Director
(DIN:00576872)

Nikunj Aggarwal
Whole-time Director
(DIN:06569091)

Vinod Kumar Mittal
Independent Director
(DIN:07421742)

Virjesh Kumar Gupta
Independent Director
(DIN:06382540)

Navin Shah
Independent Director
(DIN:02701860)

S. Jayaraman
Independent Director
(DIN:02634470)

Praveen Gupta
Additional Independent Women Director
(DIN: 00180678)
w.e.f 15/02/2020

Executive Officers

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

Board Committees

Audit Committee
Vinod Kumar Mittal
Chairperson
Virjesh Kumar Gupta
S. Jayaraman

Corporate Social Responsibility Committee
Hari Chand Aggarwal
Chairperson
Rajesh Aggarwal
Virjesh Kumar Gupta

Nomination and Remuneration Committee
S. Jayaraman
Chairperson
Virjesh Kumar Gupta
Navin Shah

Stakeholders Relationship Committee
Virjesh Kumar Gupta
Chairperson
Vinod Kumar Mittal
Navin Shah

Finance Committee
Hari Chand Aggarwal
Chairperson
Rajesh Aggarwal
Nikunj Aggarwal
Sandeep Aggarwal (CFO)

Statutory Auditors (Joint)
M/s Devesh Parekh & Co.
Chartered Accountants, Delhi

M/s SS Kothari Mehta & Co.
Chartered Accountants, Delhi

Secretarial Auditors
M/s Akash Gupta & Associates
Company Secreatary, Delhi

Internal Auditors
M/s Aditi Gupta & Associates
Chartered Accountants, Delhi

Cost Auditors
M/s Aggarwal Ashwani K. & Associates
Cost Accountants, Delhi

Bankers
State Bank of India
Citi Bank N.A
HDFC Bank
HSBC

Registrar & Transfer Agent
Alankit Assignments Ltd.
Alankit House, 4E/2 Jhandewalan Extension, New Delhi-110055

Registered & Corporate Office
401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033
CIN: L65991DL1996PLC083909
Website: www.insecticidesindia.com
e-mail id: investor@insecticidesindia.com

Plant Locations
A.Rajasthan
I) E-442, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707
ii) E-443-444, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707
iii) E-439-440, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707
B.Jammu and Kashmir
I) SIDCO Industrial Growth Centre Sambha – 184 121
ii) IID Centre, Battalballian, Udhampur – 182 101
C.Gujarat
CH-21, GIDC Industrian Estate, Dahej, Distt. Bharuch – 392 130

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HAR KADAM HUM KADAM

Agriculture is life and to make it bountiful we all need to walk together

Agriculture has a long history. It has been one of the greatest developments towards the progress of human civilization. New techniques and processes have been discovered to enhance farm production. But at the core of it all are the farmers who get up before dawn, plow deep, sow seeds, and take care of the crops and our hopes.

That's why we at IIL, constantly endeavor to stand shoulder to shoulder with the farmers at every stage of farming. You can call it our motto, our mission, or our philosophy. Since every battle needs a slogan to motivate its warrior, we are giving a word of strength to our long term endeavors "HAR KADAM, HUM KADAM".

To provide the farmers with the necessary solutions to tackle the upcoming challenges of crop protection, we conduct extensive R&D to provide technologically advanced products. We are also working on strategies to make world-class innovations affordable for our farmers. For this, we have associated with international players working in the field of agrochemicals. We closely monitor the world and invest accordingly for best results.

We are taking all the necessary measures keeping in mind the best interest of our farmers and agriculture. Be it providing them solutions to tackle the challenges or making them aware of reaping more benefits from agriculture and its allied fields, we have been doing it all. After all, even when God needed someone to take care of his planned paradise, he relied on our farmers.

Indian agriculture

POISED FOR DOUBLE DIGIT GROWTH

India's population currently stands at more than 1.3 billion and is estimated to rise up to 1.7 billion by 2050. This will make India the largest populated country in the world and will need to transform agriculture to meet the growing food demand. The sector is now undergoing a structural transition and becoming the real backbone of the economy. In the last financial year, India's total exports from agriculture and processed food stood at INR 1.28 lakh crore, with 7% increase compared to FY18. Even in the recent union budget, a 16-point action plan has been introduced for doubling the farmer's income by 2022. In this strategy, agrochemicals can play a pivotal role. It has the potential to enhance our production capacity & meet the demand of producing 355 million tonnes of food grains by 2030.

But achieving this is not an easy task, as India's agrochemical consumption for crop protection, as compared to global standards is still very low. Because of this about 30% of India's crop output is lost due to attacks by pests, weeds, and other diseases. Another problem is low productivity per hectare and declining soil fertility.

To curb these and unleash the full potential of Indian agriculture, our farmers need to be made aware of judicious use and benefits of agrochemicals. Government, NGOs as well as companies working in the field of agrochemicals manufacturing are constantly endeavoring in this regard.

However, agriculture still contributes about 16.5% of the total Gross Value Added (GVA) (as in 2019-20) and continues to support the vast majority of the population by providing employment opportunities to about 54% of the workforce. But technical deficiencies persist like poor weather updates: only 42% of farmers receive district-level weather forecast through SMS and other channels. Other issues include soil health assessment & management and pro harvesting, which are being addressed by schemes and awareness.

With joint efforts of the public and private sectors, agriculture in the country can prosper and scale new heights. We are fully committed to contributing towards realizing the government's vision.

CHAIRMAN'S OVERVIEW

Coming together is the beginning of success

Dear Shareholders,

Indian agriculture is in transformation phase and efforts to realize and fulfill this change are underway. Growth of sector was also the focal point of this year's Union budget, owing to rising demand for food security and increasing population. In this current scenario, opportunities for growth of the sector and also for your company are manifold.

As the 2^{nd} largest producer of food grains, India is currently at a food surplus stage. To keep a sufficient safety margin to meet our population’s growing food demands, we have to continuously increase production capacity with a target of 355 million tonnes by 2030. This increase in production will be supported by judicious use of agro-chemicals. Currently, there are several challenges in agri-production such as low productivity per hectare, lack of awareness about proper use of agrochemicals, high dependency on monsoon, unpredictable weather patterns, reduction in arable land, high post-harvest losses and declining soil fertility.

In order to improve overall crop output, there is urgent requirement to make our farmers aware about the use of latest technology, agri-inputs and agrochemicals which will support in reducing pre and post-harvest losses. Agrochemicals are expected to play a pivotal role in crop protection and getting better yield.

Agriculture sector’s growth will also require support from government through conducive policies for decreasing raw material cost, lower registration time for new molecules, decrease environmental pollutant treatment cost and address lack of awareness among farmers.

Insecticides (India) Ltd. is working hand in hand with farmers in this mission which will also support government's vision of doubling the farmer's income. With our R&D driven growth strategy, we are developing products that can help cater to the growing needs of farming. As a leading crop protection company of India, our product portfolio consists of more than 100 products, including both chemical and biological products. Our manufacturing facilities utilize world class technology to produce products at affordable rates. In the last fiscal year, we have introduced various innovative products such as Kunoichi, Chaperone, Lethal Gold, Super Racer and Rockstar. These products demonstrate the extensive technological advancement in our capabilities and enjoy strong acceptance among farmers. During the year, we have also signed MoU with G.B. Pant University of Agriculture and Technology, Uttarakhand to transform the 'root organ culture' technique which ultimately will lead to upscaling this technology for mass cultivation.

Looking at demand trend for agrochemicals, domestic market consumption is largely dominated by insecticides, which accounts for 60% of overall demand followed by herbicides and fungicides. Also, seasonal domestic demand of agrochemicals leads to more than 50% of production being exported. This presents an opportunity for better growth prospects for the company. Our focus on optimizing our capabilities such as low-cost manufacturing, availability of skilled and technically trained manpower and better price realization, will certainly help in providing competitive advantage and result in increased market share.

During this difficult time of Covid-19 pandemic, we at IIL are standing strongly with the farmers and extending full support wherever possible, we have also adopted digital medium to connect and reach out to the farmers. I am also thankful to our team who are working relentlessly during this time of crisis. Efforts of our team motivates and inspires us to achieve long-term growth strategy and makes us truly believe that we will come out better and stronger from this pandemic.

In this competitive market of agrochemicals, our Company's performance has remained resilient.

The Company recorded revenue from operations of Rs 1,363 crores in FY2020 with EBITDA of Rs 156 crores and margins of 11.4%. Net profit for the year was Rs 86 crores with margins of 6.3%. Company focused on strengthening its balance sheet through debt reduction and was able to reduce the net debt by Rs 175 Crore during the year resulting in stronger capital structure.

Undoubtedly with a well-defined strategy and our commitment to advance by partnering with farmers, we hope to unlock stable growth for all our stakeholders including the farming community.

H. C. AGGARWAL
Chairman

Insecticides (India) Ltd. is working hand in hand with farmers to realize government's vision of doubling the farmer's income. With our extensive R&D in four different streams, we are striving hard to develop products that cater to the growing needs of farming.

MD'S THOUGHT PROCESS

United
we can go further

Since its inception, Insecticides (India) Ltd. has aspired to make farmers' life prosperous and happy. We have utilized world class technology in our manufacturing facilities to make affordable products for farmers.

In the 19 years of our operations, we have always tried to reflect all our learning in our innovations and endeavor to create best products in the industry. Our core team, comprising of best minds in the industry have always strived for evolving our products, which result in higher crop production. But enhancing the crop production alone won't help as every year about 30% of crops are destroyed by insects, weeds & diseases. Controlling the insects, diseases and weeds is one of the major concerns as it significantly reduces the quality and quantity of crop production. The challenge is to deal with 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. So, there is definite need to innovate and focus on new products/ molecules to stay relevant in the competitive and dynamic landscape.

In the coming years, the challenges of farming will be evolving and to address these, support and unified action of all stakeholders will be necessary. Acting on this, we have been educating farmers about the different kinds of pests, weeds and diseases, and best practices for crop protection and efficient and effective use of agrochemicals. With our moto HAR KADAM HUM KADAM, we are moving forward aggressively to meet the crop protection needs of agriculture. Today, with 5 R&D centres and over 75 experienced scientists, we are working to develop new products by understanding the grass root problems that farmers are facing. We are utilizing reverse engineering to develop products such as Green Label, Hercules, Encounter and Sofia. In biologicals, we have introduced products like Kayakalp, Mycoraja, Milstim, Prime Gold and Root Bead, which have set a new benchmark in the market.

We are excited to see the positive response of IIL's products and the difference it is making in the life of the farmer. In order to cater to the growing international market opportunities, we have recently set up a dedicated plant in SEZ, Dahej, Gujarat. Our international business team has signed over 100 agreements with an aim to expand our global presence in more than 20 countries.

I also take this opportunity to thank entire team of Insecticides (India) Ltd. for walking shoulder to shoulder with the farmers and providing them with necessary assistance through digital means during the time of Covid-19 pandemic.

This year we have become 19 years young and there is still a very long way to go. With the continuous support of all our stakeholders, we look forward to take the company to new heights.

RAJESH AGGARWAL
Managing Director

In the coming years the challenges of farming will be bigger and to beat these odds, Insecticides (India) Ltd. will be always in forefront.

The illustrious leadership driving growth
OUR BOARD OF DIRECTORS

Mr. H.C. Aggarwal
Chairman C C

Mr. Rajesh Aggarwal
Managing Director M M

Mrs. Nikunj Aggarwal
Whole Time Director M

Mr. Vinod Kumar Mittal
Director C M

Mr. Virjesh Kumar Gupta
Director C M M M

Mr. Navin Shah
Director M M

Mr. Jayaraman Swaminathan
Director C M

Mrs. Praveen Gupta
Director

Board Committees

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Finance Committtee

C Chairman
M Member

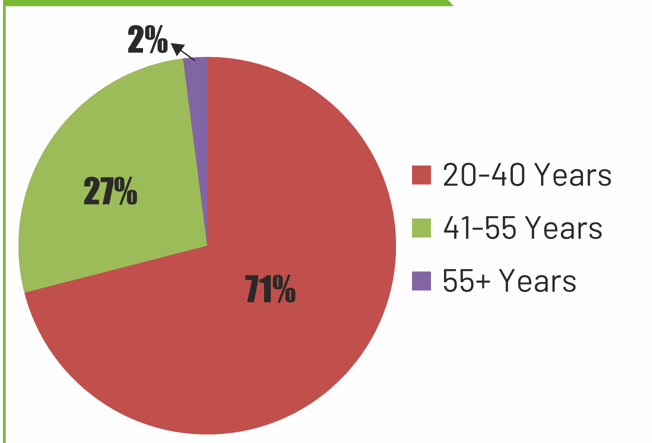
Our team, our strength

WHERE EXCELLENCE MEETS EXUBERANCE

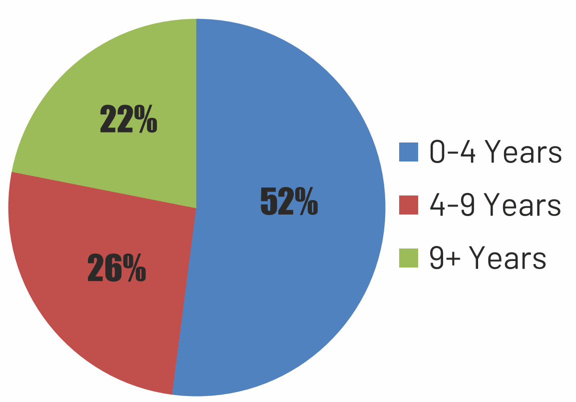
Insecticides (India) Ltd. is one of the best places to work. Here we strive constantly to provide fresh ideas for better farming solutions. We aim to strike an ideal balance of experienced and young pool of talent. Our experienced senior management teams train the young minds to be the best professionals in the industry.

We have an amazing workforce of 1250+ people who work Hum Kadam with farmers to enhance their farm production, like a true friend.

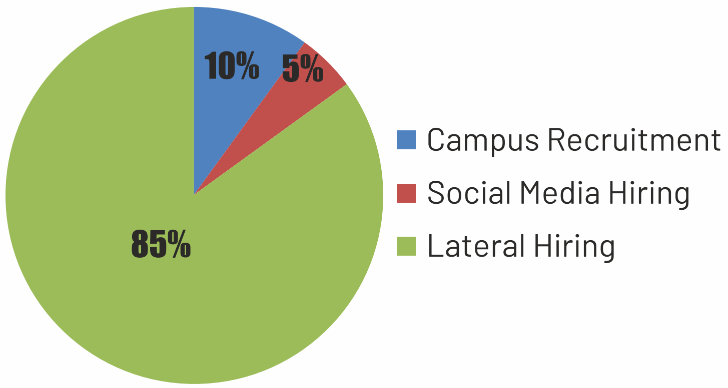
AGE DIVERSITY

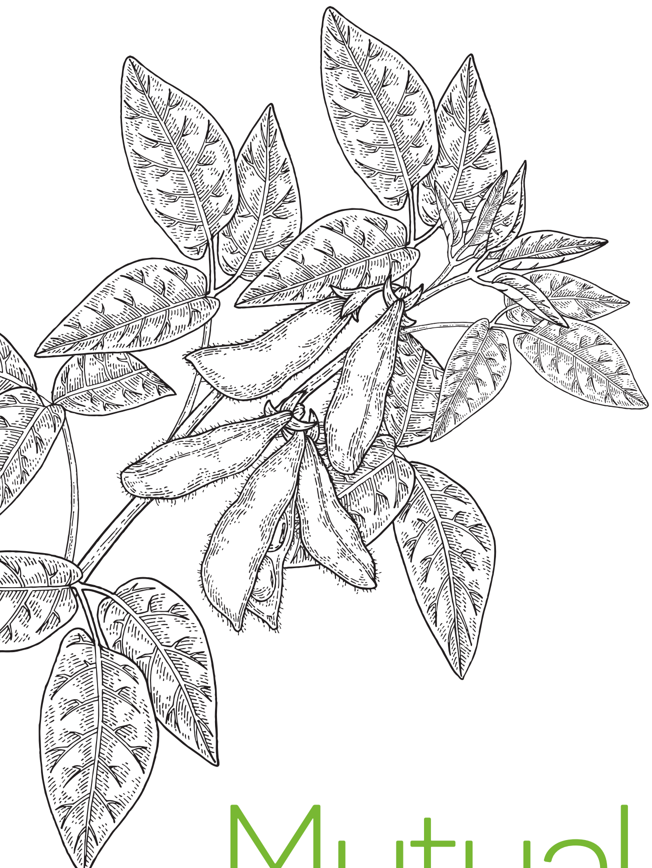


STICKING WITH



SOURCING POOL





Mutual growth, maximize profits

Insecticides (India) Limited believes in the mantra of mutual benefit and growth by taking everyone along. Challenges make us discover new things so we are constantly investing in leading-edge technologies. With our moto Har Kadam, Hum Kadam, we are focused on farmer’s connectivity and are committed to walk hand in hand in every step of farming.

We measure the product's success in the value of the difference it make to the farmers.

This has led us to establish so many brands in all these years under the Tractor Brand range of products.

In spite of having strong roots in the market, we still believe there are so many segments untapped and substantial scope for the growth of our products. We are continuously trying to refine our brand to enhance their pertinence, as we believe happy farmer leads to a progressive nation.

₹ 1363 Cr.
FY 20 Sales

60000+
Retail Outlet Covered*

100+
Formulation Products

22
Technical Products

21+
Maharatna Products

1250+
Employees

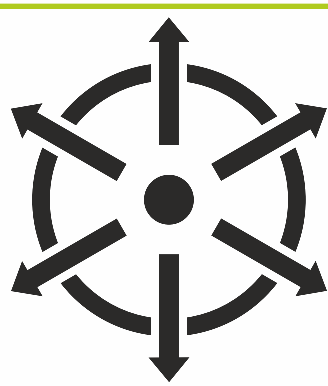
8
FY 20 New product launches

* as per internal estimates

Challenging times not just challenges bravery but also your strategy to run business smoothly. IIL strives for both.

Capacity Enhancement

Upscaling of Technology



Product Expansion

New Product Launches

IPR

Modern Productivity

Growth strategy

R&D will results in New product launches in Maharatna Category

- Focus on in-house R&D and international partners to launch new products
- Launched 8 new products during FY2020
- Expecting 10 new products in full year FY2021

Exports

- Working on registration in new countries with 100+ export agreements
- Expanding in new geographies:Exporting to 20+ countriesExpand to 50+ countries and 100+ customers by the end of FY2023

Phasing out the old generic products

- Phasing out the old Generic Products
- Introduction of new products in the Maharatna category and moving up the value chain

Backward and Forward Integration

- Moving on the strategic path of backward and forward integration
- Capitalize on the Make in India initiative
- Will result in better margins across technicals and formulations

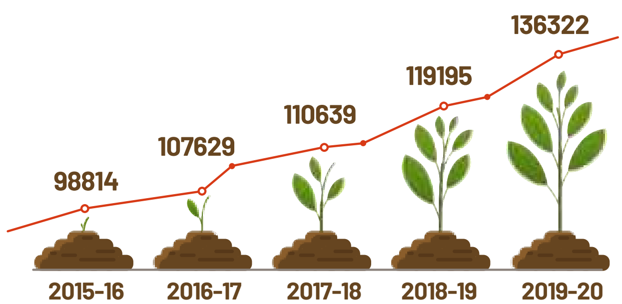
Focussed Approach on Biologicals

- Developed and commercialized VAM (Vaslcular Arbuscular Mycorrhiaze)
- Developed and commercialized soil energizer, Kayakalp
- Developed 3 new biological products

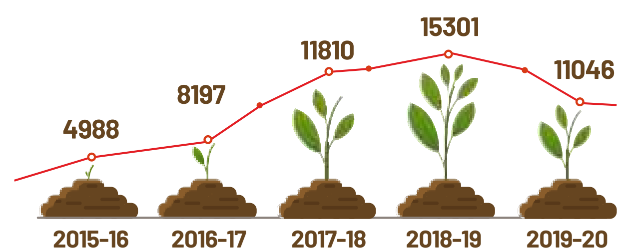
Optimum Capital Structure and Operational Efficiency

- Debt free by end of Q1FY21
- Focus on sustainable generation of cash flows
- Capex of Rs. 1.1 bn in next 2 years in a phased manner for setting up SEZ, synthesis facilities and backward integration plant in the states of Gujarat and Rajashthan

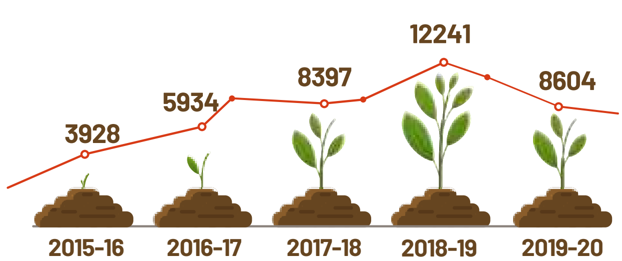
Growing steadily with broader vision



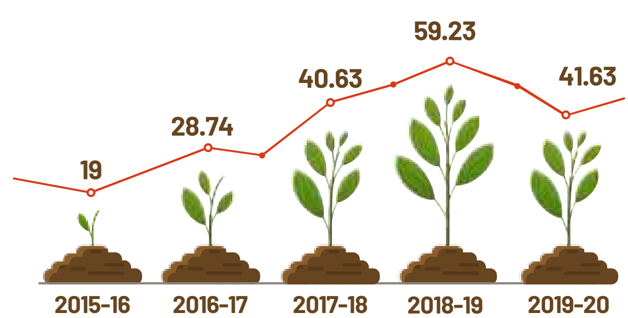
Net Revenue (₹ in lacs)



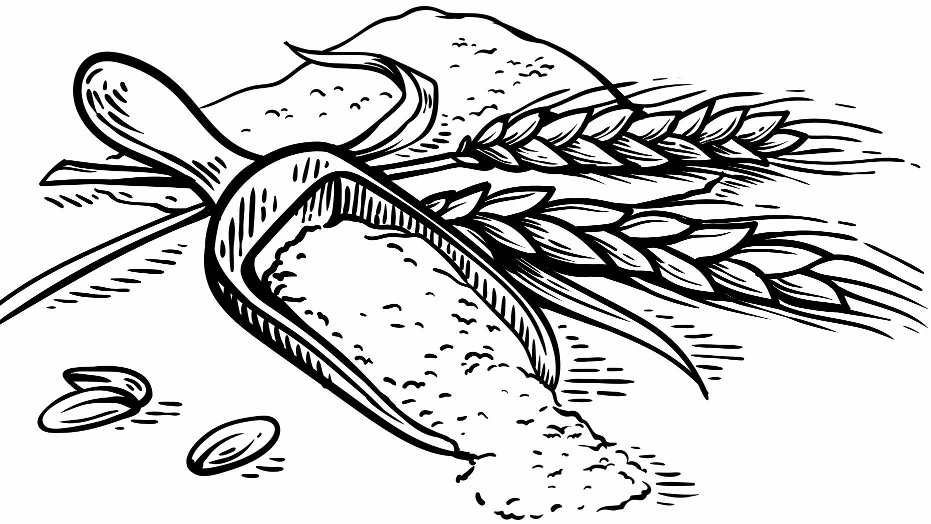
Profit Before Tax (₹ in lacs)

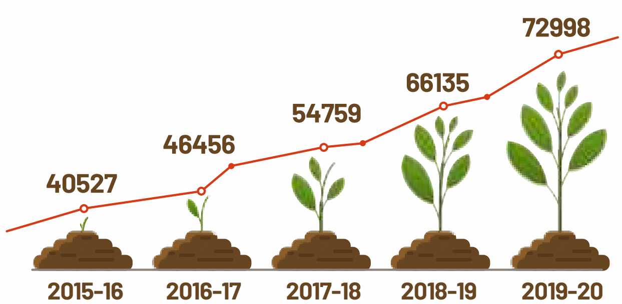


Net Profit (₹ in lacs)

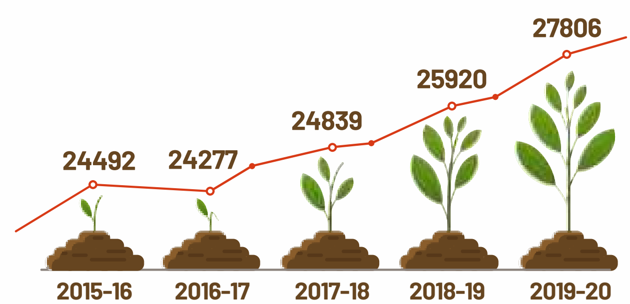


Earning per share (₹)

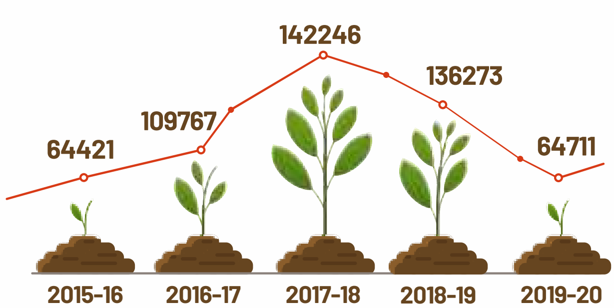




Net Worth (₹ in lacs)



Net Block of assets (₹ in lacs)



Market Capitalization* (₹ in lacs)

insecticides (INDIA) LIMITED

- Top 250 mid cap companies *
- Top thousand performing companies of the year*
- Top 10 performing companies of the year in pesticides and agrochemical sector*

*As per

DALAL STREET INVESTMENT JOURNAL

DEMOCRATIZING WEALTH CREATION

Figures are restated as per IND AS   *Market Capitalization based on year end closing share price quoted on BSE Ltd.

Manufacturing

IIL continue to implement long-term manufacturing strategy with efficient capacity creation by introducing new technologies to support volume growth in technicals & formulations.

- 6 Formulation plants
- 2 Technical Synthesis plants
- 1 Biological manufacturing plant*

*under toll arrangement

R&D

We believe that R&D can give us the key to the brighter future. Therefore, we are constantly developing and introducing latest technology products through our various R&D centers.

- NABL QC Labs
- In-house R&D Centers
- JV with OAT Agrio Co., Japan for dedicated invention R&D Center

Development and Training

At IIL, we have made it our obsession to work with farmers in order to adapt and modernize to be future ready. We are helping them with the adoption of technologies and also working with them to adopt new ways of nourishing, protecting and preventing.

- Emphasis on field activities
- Farmer Awareness
- Sales force training

Working closely with Farmers

We work with them to understand the need, focus on fulfilling the demand and tirelessly create new solution through development and international tie-ups.

- Sales & market development
- Branding
- International Tie-ups & Collaborations
- Evolving media mix

An integrated approach for a brighter future

Our footprints of growth

2001
Commenced Operations

2002
- Started operations by commencing formulation plant in Chopanki (Rajasthan)

2003
- Acquired 21 leading brands of Montari Industries Limited (Ranbaxy Group Company)

2004
- Commissioned second formulation plant in Samba (Jammu & Kashmir)

2005
- Set up a R&D Laboratory in Chopanki
- Plant at Chopanki accredited with ISO 9001:2008 certification

2006
- Acquired the exclusive rights to sell the Thimet brand in India from American Vanguard Corporation, USA in technical collaboration

2007
- 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

2008
- Received the OHSAS 18001 certification

2011
- Acquired Monocil brand from NOCIL Limited
- Set up two new formulation plants at Dahej and Udhampur

2012

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

2014

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

2015

- Launch of Biological products
- Follow on QIP

2016

- Tie-up with MOMENTIVE, USA for AGRO SPRED* MAX
- Tie-up with NIHON NOHYAKU, Japan for SUZUKA and HAKKO
- Launched GREEN LABEL (Bispyribac Sodium 10% SC) manufactured in India for the first time

2017

- Launched revolutionary biological Soil Energiser product, KAYAKALP

2018

- Launched AIKIDO, SOFIA, ENCOUNTER & HERCULES

2019

- Launched CHAPERONE and KUNOICHI

2020

- Started operations at formulation unit at SEZ, Dahej, Gujarat

...And it is just the beginning...

Bringing every drop together

The IIL Foundation was set up for conducting CSR activities as the primary goal. Since the last few years, it has been working for two main projects:

1. Awareness for the right and judicious use of agrochemicals among the farmers and the urban society to create a sense of respect for the farmers, who sweats out in the field to meet our food requirement.

2. Education to the children in the villages by helping the schools and assisting them to provide the best possible education to the children.

This year was also one of the most eventful years, as the project with ICAR-IARI entered its third year and we are happy to mention that by this project we could make a difference to the farmers in the adopted villages by reducing their cost of inputs and maximizing their yields. We would like to thank and acknowledge the support by the ICAR-IARI, which they have given to the IIL Foundation for this project. We have been able to set up a Kisan Library so that farmers can read the latest books and journals.

Under the Education project, we have been associated with the schools and supporting them in all the best possible manner like vocational teachers, support staff, sports kits, computers, and other support material.

When teams combine their efforts, the outcome is rewarding

"COMPANY OF THE YEAR LARGE SCALE" AWARD

PMFAI

PMFAI SML AWARDS 2019

"COMPANY OF THE YEAR" AWARD

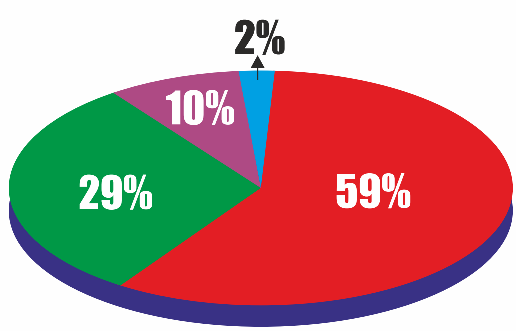
AGRI BUSINESS SUMMIT & AGRI AWARDS 2019

Our Maharatna Products

THANK YOU FOR YOUR OVERWHELMING RESPONSE AND MAKING THEM A BIG SUCCESS

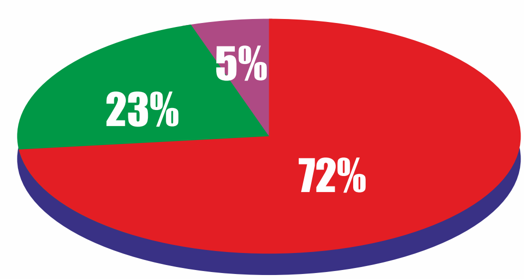
Sailing towards progress

NET SALES BY PRODUCT CATEGORY



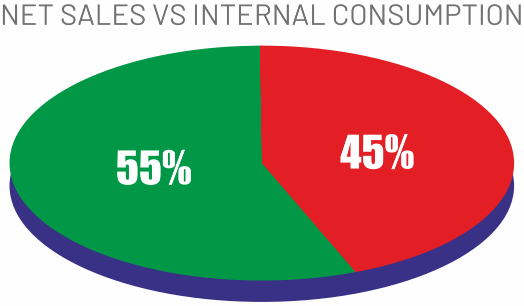
- Insecticides
- Herbicides
- Fungicides
- PGR/Biologicals

NET SALES BY SEGMENT



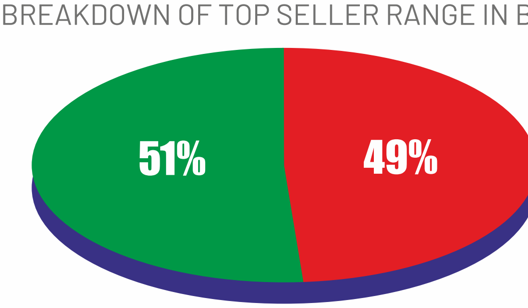
- B2C
- B2B
- EXPORTS

NET SALES VS INTERNAL CONSUMPTION



- Sales
- Internal Consumption

BREAKDOWN OF TOP SELLER RANGE IN B2C



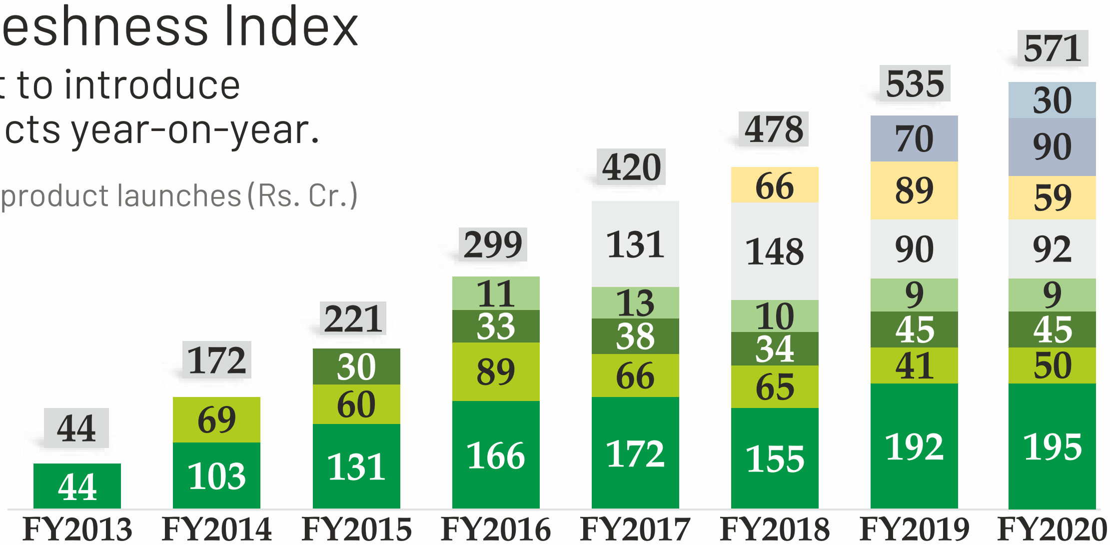
- Maharatna Products
- Other Products

Developing advanced products for a brighter future

Product Freshness Index

A commitment to introduce new age products year-on-year.

Revenue from new product launches (Rs. Cr.)



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
NEW PRODUCTS LAUNCHED DURING THE YEAR	5	5	3	2	5	5	8	8
% OF REVENUE FROM OPERATIONS	7.1%	19.9%	22.9%	30.3%	37.9%	43.1%	44.8%	41.9%

HEROES OF 2019-20

FUTURE WARRIORS FOR 2020-21

Mr. Takashi Honda San, MD, Nissan Chemical Corporation, Japan & Mr. Rajesh Aggarwal, MD, IIL along with Nissan & IIL delegates at the launch of Kunoichi in Lucknow, U.P.

Working collaboratively towards success

Nissan Chemical CORPORATION

Marketing Tie-up for specialty products i.e. **PULSOR**, Fungicide, **HAKAMA**, Selective Herbicide & **KUNOICHI**, Miticide

OAT Agrio Co., Ltd.
JAPAN

Tie-up with OAT Agrio Co., Ltd. Japan to bring a specialised product for Seed treatment, **ROOTBEAD**

MOMENTIVE™
USA

Tie-up with MOMENTIVE Performance Material Inc., USA for **AGROSPRED* MAX** for silicone based super spreader

OAT Agrio Co., Ltd.
JAPAN

OAT & IIL INDIA LABORATORIES PRIVATE LIMITED

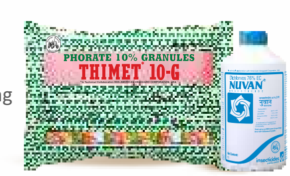
JV for a dedicated R&D Centre in India to invent new agrochemical molecules

Nihon Nohyaku Co.,Ltd.
JAPAN

Marketing tie-up for **SUZUKA**, **HAKKO** & **AIKIDO**

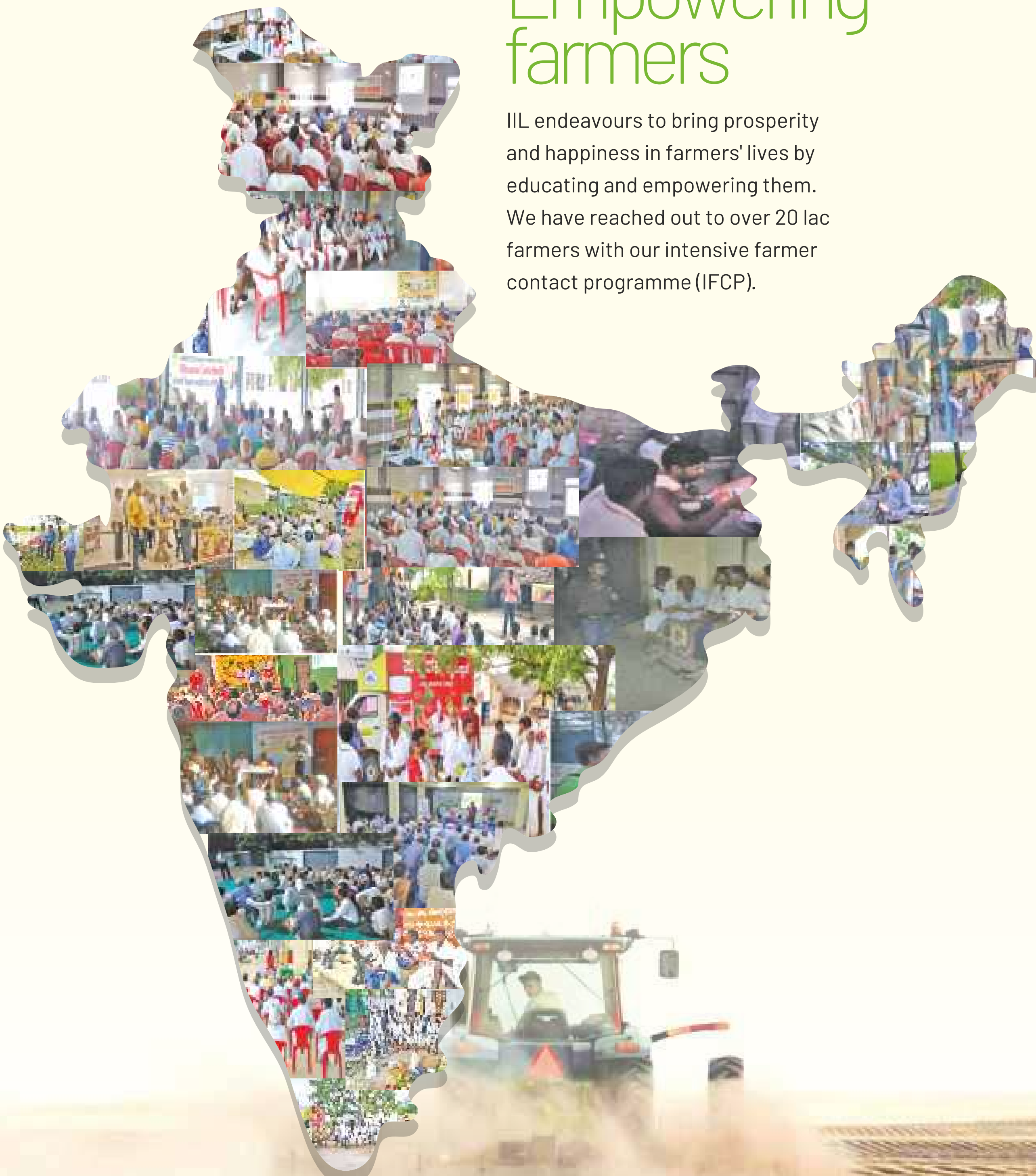
AMVAC
Amvac Chemical Corporation
USA

Technical Collaboration for manufacturing and marketing of **THIMET** (Since 2006) & **NUVAN** (Since 2012)



Empowering farmers

IIL endeavours to bring prosperity and happiness in farmers' lives by educating and empowering them. We have reached out to over 20 lac farmers with our intensive farmer contact programme (IFCP).



Unifying goals, diversifying views– Our digital footprints

USER REVIEWS

Product Promotion

Awareness/
Farmer Appreciation

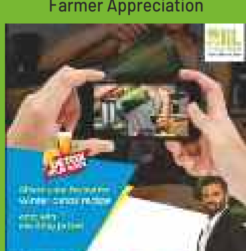
Brand Leaders
Interviews/Quotes

Naari Ka Krishi Roop

Gantanra ka Jashan

HFHI

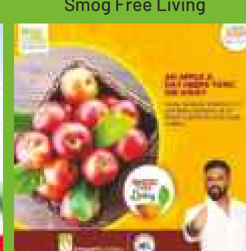
Awareness/
Farmer Appreciation



User Engagement

Topical Content

Smog Free Living



Fragrance of Love

Insecticides Jaroori Hai

A REVOLUTIONARY INITIATIVE BY IIL FOUNDATION

IIL has always been known for the welfare of farmers, be it by providing the advanced research-based product at an affordable price or giving information to strengthen their farming techniques.

Adding to this, IIL Foundation has started a new initiative by launching page on Facebook & creating You-Tube Channel called Insecticides Jaroori Hai.

This is a digital platform to thank the farmers for providing the basic necessity of life - food.

One of the important aims of this platform is to bust the myths regarding the importance of using insecticides judiciously. Here we provide authentic information about farming, associated hurdles, and how a farmer can overcome those. We have reached out to the best minds in agriculture around the country and asked them to educate our farmers about crop diseases as well as the judicious use of insecticides. We provide all these because knowledge is the key to growth in life.

Come, join our page and start conversations and discussions on the benefits of using judicious amount of insecticides to improve crop health and bring happiness to the farmers.

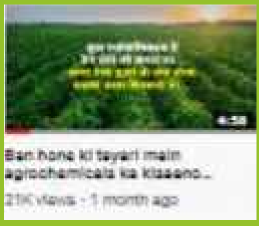
Facebook Snapshot

10K Followers on Facebook

5 Rating out of 5 given by our followers

Awareness / Farmer Appreciation

Youtube



You can visit us at:

https://www.youtube.com/channel/UCu7EddC7--uBIwdfaYFo95w?view_as=subscriber
https://www.facebook.com/InsecticidesJarooriHai/?modal=admin_todo_tour
https://www.instagram.com/insecticidesjaroori/
https://insecticidesjaroorihai.com/
https://twitter.com/InsecticidesJH

Management Discussion and Analysis

1. Annual overview of Indian Agriculture and Industry

Agriculture plays a vital role in India's economy. 54.6% of the total workforce is engaged in agricultural and allied sector activates (Census 2011). As per the Land Use Statistics 2014- 15, the total geographical area of the country is 328.7 million hectares, of which 140.1 million hectares is the reported net sown area and 198.4 million hectares is the gross cropped area with a cropping intensity of 142%. The net area sown works out to be 43% of the total geographical area. The net irrigated area is 68.4 million hectares. Agriculture accounts for 16.5% of the Country's Gross Value Added (GVA) for 2019-2020. India is the largest producer of tea, spices, pulses, milk, cashew and jute and the 2nd largest producer of rice, wheat, fruits and vegetables, sugarcane, cotton and oilseeds. Given the importance to agriculture sector, Government of India has taken several steps for its development in a sustainable manner. Steps have been taken to improve soil fertility, farmer access to irrigation through enhanced water efficiency and to support organic farming through various schemes of the Government of India (GOI).

The Agrochemicals are designed to protect crops from insects, diseases and weeds. They do so by controlling pests that infect, consume or damage the crops. Uncontrolled pests significantly reduce the quantity and quality of food production. It is estimated that annual crop losses could double without the use of crop protection products. Food crops must compete with 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. Agrochemicals are the last and one of the key inputs in agriculture for crop protection and better yield.

India is the world's 4th largest producer of agrochemicals after United States, Japan and China and has emerged as the 13th largest exporter of pesticides globally.

We, Insecticides (India) Limited (IIL) is India's one of the fastest growing Agro chemicals manufacturing company. IIL has emerged as a front-line performer in India's crop care market and is all set to grow impressively. IIL owns the prestigious **"Tractor Brand"** which is highly popular among the farmers. This umbrella brand of its agro products signifies the company's deep connection with the farming community. The largest selling brands of IIL include Nuvan, Green Label, Lethal Super, Victor, Monocil, Pulsor, Hakama, Mycoraja, Xplode, Akido, Thimet etc.

Our vision to build a globally respected organization delivering the best-of-breed crop care solutions to the farmers. We are guided by our value system which motivates our attitude and actions. Our core value is to increase the income and wealth of the farmers and to provide the solution through technology driven and innovative products.

Our strategic objective is to build a sustainable organization that remains relevant to the agenda for our consumers, while creating growth opportunity for our employees and generating profitable returns for our investors.

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. IIL 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 PAN India. 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 technology, 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.

2. Indian Economy – Review of economic scenario

The World Health Organization (WHO) declared COVID-19 as a pandemic in January 2020; the virus has now spread to more than 190 countries. According to the International Monetary Fund (IMF), the global economy is expected to shrink by over 3% in 2020. The unprecedented rise in infections led to a nationwide lockdown, which has affected the country both economically and socially.

Impact of the lockdown on the Indian agriculture sector has been complex and varied across diverse segments that constitute the agricultural value chain. Several activities across the agriculture value chain have been the most hit. Acute shortage of labour, reverse migration, harvest, transportation & logistics and exports were some of the unforeseen challenges that the stakeholders across the value chain witnessed.

Ironically, the onset of the pandemic coincided with the Rabi harvest and Kharif crop sowing season and is estimated to affect 140 million farmer households across the country. The lockdown delayed harvest of the Rabi crop due to non-availability of labour, machinery (harvesters, threshers, tractors, etc.) and transport, as well as restrictions on movement. Despite favourable winter conditions and above normal output, the sudden disruption in supply chain resulted in losses on account of damaged crop and low profitability. Furthermore, the outcome of the Rabi season will have a significant impact on the liquidity and working capital requirements of farmers, which in turn may disrupt sowing plans for the upcoming Kharif season.

Industry is facing liquidity constrains and availability of raw as many players are import dependent for raw materials, technical support and finished products. Proprietor molecules, which are largely imported, have been affected by the spread of coronavirus in China since January 2020 and prices of raw materials increased in very short span of time, Imports from China have been limited and inventory stocks are either depleted or diminishing fast. It is expected that limited supply and escalating cost with stable demand will lead to price volatility in the short term, mainly affecting the early sowing in the Kharif season. The sector believes that the new normal will demonstrate higher levels of mechanisation at the farmer level and increased use of digital technology across the value chain.

First and second quarters will witness product shortages, especially in the case of herbicides, which have a limited window for sale. However, the industry is optimistic that conditions would improve and stabilise to cater to the mid-Kharif season demands.

Currently there is uncertainty on pace of recovery, but Management is making sure that the organization remains fully energized during the period and ready to bounce back on the next opportunity.

(Source: FICCI Report)

3. Opportunities and Challenges

Opportunities

The Company is working diligently to capitalize opportunities such as:

Online Marketing: The agro-chemical industry is to adopt the e-commerce model for selling its products and open the new space for selling its products, wherein details of the products will be provided to the farmers along with usage of pesticides and its effectiveness; it leads to increase the competiveness in the market.

Export orientation products: In recent times the global supplies has been disrupted and India being the fourth largest manufacturer of agro-chemicals, the company can play a pivotal role in the global value chain and start its exports more aggressively by identifying rapid growing avenues.

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 FY17 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.

Fast Registration of Products in the Agro-chemical Industry: The government has significantly reducing the time required for regulatory compliances by introducing fast-track regulatory regimes. A similar approach is expected for monitoring production, distribution and movement of the other agricultural inputs amid COVID-19.

Challenges of Indian Agrochemical Industry

Increase in cost of Production: Cost of production is escalating due to shortage in supply of Labour and transportation amid covid-19. Also delay in import of raw materials has affected the pricing.

Banning of existing established molecules: 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.

Liquidly crunch: The sector is facing stretched working capital as the entire value chain, starting from the farmer is facing liquidity problems.

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. 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.

4. Financial Highlights

The Company's Revenue from Operation was Rs. 1,363.20 Crore in FY 2020 as compare to Rs. 1193.50 Crores in FY 2019. Reported increase by 14.20% y-o-y. Total branded sales increased by 29%, contributing 72% to the total sales. Maharatna sales grew by 18% whereas other branded sales increased by 42% y-o-y.

The Company's Net Profit for FY 2020 is Rs. 86.00 Crore as compare to Rs. 122.40 Crore in FY 2019 reported decline of 29.7% y.o.y. Profitability were impacted majorly due to following:

- ✓ Higher contribution from low-margin generic products and decline in realizations from Nuvan and Thimet due to market pressure
- ✓ Due to rise of Covid-19 pandemic globally, management took a strategic decision to strengthen its balance sheet and focus on reducing inventory and cash collections in view of challenging times ahead
- ✓ Effort of cash generation and inventory disposal of generic products at a competitive prices adversely impacted the overall profitability in the last quarter, since it was not able to cover the fixed expenses

Insecticides (India) Limited creating unique position in the market because of its capability to offer new innovative products, technologies, processes, services and business models. The Company has received 9 patents and 21 patents are in pipeline.

Profit and Loss

(₹ in lacs)

	FY 2020	FY 2019	y-o-y Growth(%)
Revenue from Operations	136322	119351	14.20
EBITA	15590	18720	(16.70)
Profit After Tax (PAT)	8604	12241	29.70
Basic EPS (Rs.)	41.63	59.23	(29.70)

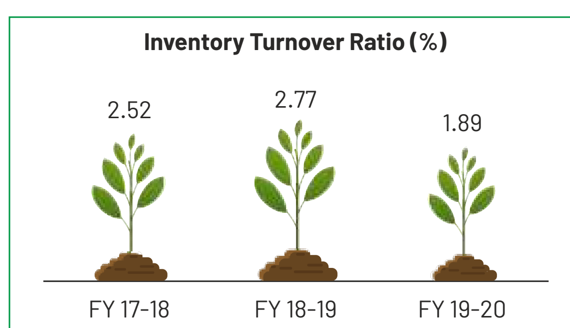
Financial Condition

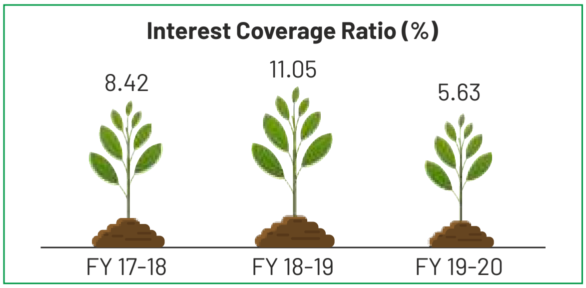
Insecticides India monitors its financial position regularly and deploys a robust cash management system. The Company has adequate liquidity at an optimum cost to meet its business and liquidity requirements. CRISIL has rated A/Stable for long term debt and A1 for short term debt.

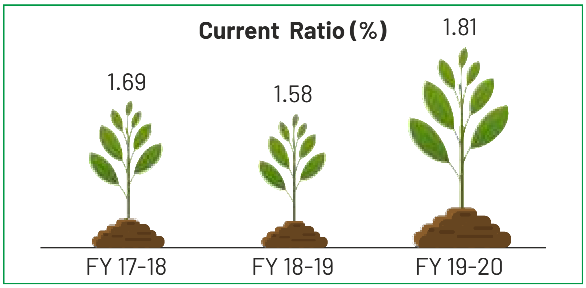
Debt

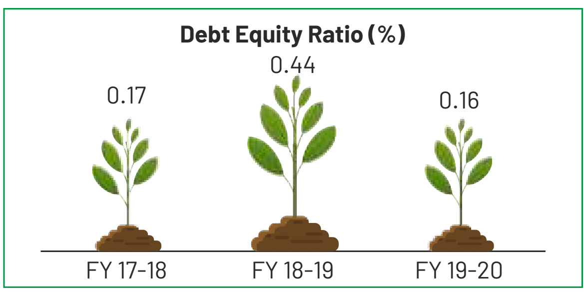
The consolidated debt of the Company as on March 31, 2020 stood at Rs. 18762.14 lakhs, against Rs. 30622.91 lakhs last year. In the Year 2018 the management had intended and started to make the company debt free and the same will achieved in FY 2021.

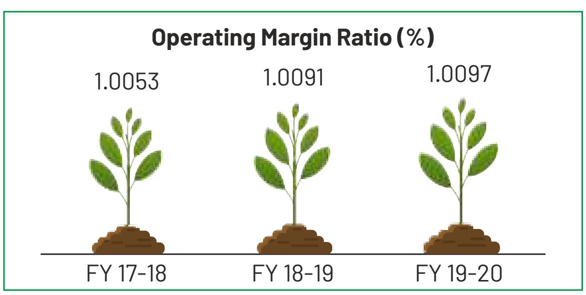
Key Ratios

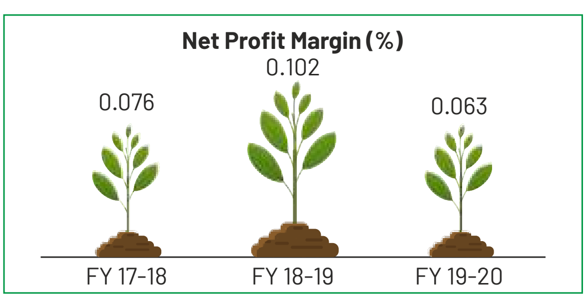


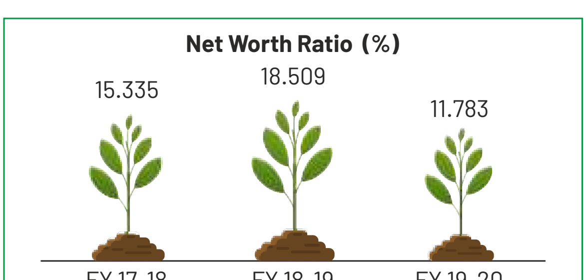












Explanation to Significant Change in Ratios

There were no significant changes in ratios other then explained below:

1) Inventory turnover - Cost of Goods sold of low margin generic products leads to change in Inventory turnover ratio.

2) Interest coverage - Lower EBIT has led to change in interest coverage ratio

3) Debt-Equity - The company continues to strengthen the balance sheet through debt reduction and decrease in debt from Rs. 302.00 crores in FY19 to 185.40 crores in FY20, the debt-equity ratio has changed favourably

4) Net Profit Margin - Profitability for the year was impacted due to higher contribution from low margin generic products and decline in realizations from Nuvan and Thimet.

5) Return on Networth - Lower profits vis-a-vis last year amidst challenging business environment and COVID-19

5. Operational Highlights

Operating Expenses

(₹ in lacs)

	FY 2020	FY 2019	y-o-y Growth(%)
Total Expenses	125532	104125	20.56
Operating Expenses	123143	102602	20.02
Financial Expenses	2389	1522	56.96

During the year total expenditure of the Company has been increased by 20.56% y-o-y to Rs. 125532 lacs. Total operating expenses also increased by 20.02 % y-o-y to Rs.123143 lacs.

6. Human Resources

In recent times, the traditional responsibilities of the HR department, such as ensuring equitable benefits and compensation, overseeing employee engagement and

retention, enhancing diversity, handling workplace issues among others have witnessed much more relevance.

During the year amid lockdown period the Company accorded paramount priority to Employee health and welfare and ensured that its commitment towards payment to the vendors and work force are duly met. With the help of technology, the respective teams were actively engaged with Customers and Vendors. under review, there was a cordial relationship with all the employees. Amid COVID-19 loss of production were for very brief period, however the production was resumed with limited workforce. The directors would like to acknowledge and appreciate the contribution of all employees towards the performance of the Company. As on March 31, 2020, the Company directly employed more than 1,276 people.

7. 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 for bridging the gap and rapid growth.

The Company has received 9 patents and 21 patents are in pipeline.

The Company having State-of-the-art in house R&D centre augmented by product innovation R&D center, formulation R&D centre and biological R&D centre approved by DSIR, Ministry of Science and Technology which is engaged in development of new formulations and new combinations. Formulation R&D Centre is dedicated to Development of new generation formulations and Focus on cost reduction, customer friendly and environment safe products wherein Biological R&D centre which is equipped with bio assay and focuses on Bio-product development.

The Company's R&D unit, established in JV with Japanese Company already operational is expecting 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.

8. Risk management

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

Risk of fluctuations in prices of key inputs

Prices of the raw material, technical's, active molecules used in the products manufactured and marketed by the Company remain volatile due to several market-related factors, including changes in government policies and fluctuations in the foreign exchange rates.

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.

Risk of competition and price pressure

The Company's products enjoy leading positions in their respective categories, the risk of competition from existing players, as well as from new entrants, remains high.

Mitigation: the Company's strength in the market place is due to its strong hold of dealers and distributers coupled with its continuous thrust on improving the quality of its products and offering newer products in the every segment. During the FY 2020 the Company has launched 8 products. The Company supplies its products in both retail as well as institutional segments. Both segments have their own nuances in terms of customer expectations, competition and pricing. However, the Company is well focused on increasing its share in all segments through a sound marketing strategy and a balanced approach.

Economic risk: Major slowdown due to COVID-19

The ongoing COVID-19 pandemic is likely to impact the country's economy through various vectors of growth. Few key vectors are:

A. Supply Challenges – Availability of raw materials and intermediate materials. Higher input prices and reduced profitability, leading to decline in capacity building.

B. Global and domestic demand – Amid Covid19 the Indian farmers earning has been in hit substantially due to previous season. Further reduced wealth effect of farmers due to various issues in their jobs or business due to COVID-19 has contributed to steep fall in the demand.

C. Marketing strategy: Customer outreach will continue to be a major challenge due to restrictions on movement, coupled with reduced budgets available for marketing initiatives.

Mitigation: The company has secured its supply's through advance booking and reached to the alternative suppliers aswell, further awareness program for the farmers has been placed by the marketing teams of the Company, online classes, online product information through social media has been used by the team to reach farmers, dealers and distributers.

9. Internal Control System

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimise the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organisational objectives with optimum utilisation of resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of operations in general and financial controls in particular.

10. 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)

11. Corporate Social Responsibility

Growing Together: Accomplishing the role of responsible corporate concerned about the overall growth of farmers, our CSR engagement is driven through two specific imperative: Farmer awareness and Child Education. Insecticides (India) Limited strongly believes in inclusive economic growth. The Company's CSR initiatives are based on this principle of sustainable development of the society as whole. Most of the CSR activities of the Company are carried out under the aegis of IIL Foundation.

IIL foundation recognises the importance of education in socio-economic development. Focussing on schools in rural areas of Punjab & UP, the organisation provides

Awareness and Training is the key for profitable farming

scholarships along with stationary, study material to the students across village schools. The activities like Project Vidhya include distribution of books and study material to children and empowering them towards leading a better life. Another campaign was launched by the name of Kisaan Jagruta Abhiyan, where farmers of the several districts in most of the states were uneducated and unable to use the new technology, unable to safe use the agro chemicals. Meetings were held with lacs of farmers in the guidance of the experts and the scientists from the various agriculture universities to educate them. Mobile application (App) is also available for the farmers to understand the usage of the agrochemicals.

12. CAUTIONARY STATEMENT

The statements in the "Management Discussion & Analysis Report" describing the Company's objectives, expectations and forecasts may be forward looking within the meaning of applicable securities laws and regulations. The actual results may differ from those expressed or implied, depending upon the economic and climatic conditions, government policies and other incidental factors.

BOARD'S REPORT

Dear Members,

The Board of Directors hereby submit the report of the business and operations of your Company ('the Company' or 'IIL'), along with the audited financial statements, for the financial year ended March 31, 2020.

1. Financial Results and State of Company's Affairs

(₹in Lacs, except per equity share data)

Particulars	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from Operations	136,321.96	119,350.94	136,321.96	119,350.94
Add : Other Income	256.55	74.37	256.55	74.37
Total Income	**136,578.51**	**119,425.31**	**136,578.51**	**119,425.31**
Operating Expenses	120,736.22	100,634.37	120,736.22	100,634.37
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	**15,842.29**	**18,790.94**	**15,842.29**	**18,790.94**
Less: Depreciation and amortisation expenses	2,407.20	1,968.10	2,407.20	1,968.10
Finance Cost	2,388.98	1,522.20	2,388.98	1,522.20
Profit before Tax and Exceptional Expenses	**11,046.11**	**15,300.64**	**11,046.11**	**15,300.64**
Share of net profit of joint venture accounted for using the equity method	**-**	**-**	**87.25**	**40.71**
Less: Tax	**2,442.05**	**3,059.97**	**2,442.05**	**3,059.97**
Net Profit for the Year from Continuing operations	8,604.06	12,240.67	8,691.30	12,281.38
Net Profit for the Year from Discontinued Operations	**0**	**0**	**0**	**0**
Profit for the year	**8,604.06**	**12,240.67**	**8,691.30**	**12,281.38**
Other Comprehensive Income	(220.46)	(366.60)	(224.85)	(366.77)
Total comprehensive income for the year, net of tax	**8,383.60**	**11,874.07**	**8,467.46**	**11,914.61**
Key ratios				
Earnings per share (Rs.)	41.63	59.23	42.05	59.23
Dividend per share (Rs.)	4.00	2.00	4.00	2.00

As estimated by IMF, global economy grew by 2.9% in 2019, down 70 basis points over the growth witnessed in 2018. However, post the spread of corona virus pandemic in 2020, the IMF expects the world economy to slip into recession and decline by 3% in 2020. Indian economy, however, is likely to do better than the rest. IMF estimates Indian economy to grow by 1.9% in FY20. In 2021, though the situation is expected to normalise with world economy likely to grow by 5.8% and Indian economic growth pegged at 7.4%. There could be a temporary weakness in spending power of the consumers.

During the year under review, revenue of the company has increased to Rs. 1,363 Crores from Rs. 1,194 Crores in FY2019 with a growth rate of 14.2%. EBITDA has decreased by 16.7% to Rs. 156 Crores from Rs. 187 Crores as compared to same period last year. Profit after Tax (PAT) decreased by 29.7% to Rs. 86 Crores from Rs. 122 Crores in FY2019.

Profitability for the year was impacted due to:

- Higher contribution from low-margin generic products and decline in realizations from Nuvan and Thimet due to market pressure;
- Due to rise of Covid-19 pandemic globally, management took a strategic decision to strengthen its balance sheet and focus on inventory and cash collections in view of challenging times ahead;
- Effort of cash generation and inventory disposal of generic products at a competitive price adversely impacted the overall profitability in the last quarter, since

it was not able to cover the fixed expenses.

A domestic sale for the fiscal year is increased to Rs. 1,286 Crores from Rs. 1,122 Crores with a growth of 14.62%. Growth in sale was marked due to product portfolio mix and launching of eight new innovative products during the year. Exports for the fiscal year increased to Rs. 64 Crores from Rs. 60 Crores, representing a growth of 6.67%.

2. Dividend

The Company paid an Interim Dividend of Rs. 4/- (40%) per equity share having face value of Rs. 10/- each for the financial year 2019-20 as against the Final Dividend of Rs. 2/- (20%) per equity share for the financial year 2018-19. The aforesaid payment of Interim Dividend may be treated as Final Dividend for the Financial Year 2019-20.

3. Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2020 was Rs. 2066.78 Lacs. There was no change in the Company's Share Capital during the year under review.

4. Credit Rating

The Company enjoys a good reputation for its sound financial management and ability to meet in financial commitments.

CRISIL, a S&P Global Company, a reputed Rating Agency, has re-affirmed the credit rating of CRISIL A/Stable for the long-term and CRISIL A1 for the Short-term Bank facilities.

5. Award and Recognitions

Your Company received awards at various industry platforms in the area of Management, corporate management, digital engagement, and corporate social responsibility.

Some of the awards are listed below:

Best Company from an Emerging Region: The Company has received "Best Company from an Emerging Region" in Agribusiness Intelligence from Crop Science Forum & Awards 2019.

Company of the Year Award: The Company has received "Company of the Year Award" in Agri Business Summit & Agri Awards, 2019;

Company of the Year Large Scale: The Company has received "Company of the Year Large Scale Award" in the PMFAI'SSML AWARD 2019.

6. Particulars of Loans given, Investment made, Guarantees given And Securities provided

During the FY2020 your Company has not granted any Loan, Guarantee or provided securities under Section 186 of the Companies Act, 2013 read with rules framed thereunder.

The Company had 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 06, 2013 and also invested in the shares of OAT Agrico Co. Ltd., Japan, a Joint Venture partner Company.

7. Deposits

Your Company has not accepted any deposits under Section 73 and 74 of the Companies Act, 2013 ("the Act") and no amount of principle or interest was outstanding as of Balance Sheet date.

8. Companies which have become or ceased to be its Subsidiary Company, Associate Company And Joint Venture Company

There is no subsidiary of the Company during the year under review.

The Company has "OAT &IIL India Laboratories Private Limited" as its joint venture within the meaning of Section 2(6) of the Act, as on March 31, 2020.

Further, during the year under review, no company have become or ceased to be its subsidiary, associate or joint venture Company.

A highlights of performance of associates and joint venture along with there contribution to all overall performance of the Company during the period are provided in form AOC-1 and annexed as **Annexure – 1.**

9. Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year 2019-20 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI "Listing Regulations").

The Consolidated Financial Statement have been prepared on the basis of 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 Act, 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

http://www.insecticidesindia.com/FinancialResult.htm of the Company

10. Transfer to Reserves

During the year under review, your directors do not propose to transfer any amount to the reserves.

11. Management's discussion and analysis

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of the SEBI "Listing Regulations", is presented in a separate section forming part of the Annual Report.Certain Statements in the said report may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

12. Corporate Social Responsibility

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link:
http://www.insecticidesindia.com/CompanyPolicy.html

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified following focus areas for CSR engagement:

- **Rural Transformation:** Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
- **Environment:** Environmental sustainability, ecological balance, conservation of natural resources and promoting bio-diversity.
- **Health:** Affordable solutions for healthcare through improved access, awareness and health seeking behavior.
- **Education and Sports:** Access to quality education, training and skill enhancement, building sports & skills in young students.
- **Disaster Response:** Managing and responding to disaster.
- **Art, Heritage and Culture:** Protection and promotion of India's art, culture and heritage.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. The annual report on CSR activities is annexed herewith and marked as **Annexure - 2.**

13. 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 - 3** 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 such complain has been received and no employee was denied access to the Audit Committee for reporting violations. The details of the aforementioned policy is available on the Company's website at

http://www.insecticidesindia.com/CompanyPolicy.html

15. 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 – 4(a)** attached hereto.

List of employees drawing 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 is mentioned in **Annexure – 4(a).**

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.

The Remuneration Policy of the company is annexed herewith as **Annexure – 4(b)** to this Report.

16. Directors

Pursuant to the Provisions of Companies Act, 2013 ("Act") and the Articles of Association of the Company, Mrs. Praveen Gupta, appointed as an additional independent women director of the company w.e.f February 15, 2020.The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended her Appointment for a period of 5 years.

Pursuant to the Provisions of Companies Act, 2013 ("Act") and the Articles of Association of the Company, Mr. Hari Chand Aggarwal, Chairman of the Company retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer himself, for re-appointment.The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended his re-appointment.

The information of Directors, seeking appointment/ re-appointment, pursuant to Regulation 36(3) of the Listing Regulations and Companies Act, 2013 is provided in the notice of the 23rd Annual General Meeting of the Company.

All the Independent directors have given declaration that they meet the criteria of Independence laid down under Section149(6) of the Companies Act, 2013 and Regulation 16(b)of SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015

17. Meeting of the Board

During the financial year 2019-20, the Board of Directors met 5 (Five) times, the details of which are given in the Corporate Governance Report that forms part of the 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 Act and SEBI Listing Regulations.

18. 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. The details of the aforementioned policy is available on the Company's website at http://www.insecticidesindia.com/CompanyPolicy.html

19. Familiarisation Programme for Independent Directors

Pursuant to the provisions of Regulation 25 of the SEBI Listing Regulations, the Company has formulated a programme for familiarising the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives. The details of the aforementioned programme is available on the Company's website at :
http://www.insecticidesindia.com/FamiliarizationIDS.htm

Further, the Company has received declaration from all the Independent Directors, as envisaged in sub section (6) of Section 149 of the Companies Act, 2013.

20. Board Committees

In compliance with the requirements of the Act and SEBI 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. http://www.insecticidesindia.com/board.html Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein forms part of the Corporate Governance Report annexed herewith 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 with this report.

21. Key Managerial Personnel

During the financial year under review, there was no change in the Key Managerial Personnel of the Company.

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

1. Shri Hari Chand Aggarwal - Chairman & WTD
2. Shri Rajesh Aggarwal - Managing Director
3. Smt. NikunjAggarwal - Whole-time Director
4. Shri Sandeep Kumar - Company Secretary

5. Shri Sandeep Aggarwal - Chief Financial Officer

During the financial year 2019-20, all the necessary information, as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the board for discussion and consideration.

22. 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:

a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) 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;

c) 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;

d) the directors had prepared the annual accounts on a going concern basis.

e) 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;

f) 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.

23. Contracts Or Arrangements With Related Parties

Your Company has formulated a policy on related party transactions which is also available on Company's website at the link :
http://www.insecticidesindia.com/CompanyPolicy.html
The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the Financial Year were in ordinary course of the business and on arm's length basis. Disclosure of related party transactions, as required pursuant to Section 134(3)(h)of the Companies Act, 2013, is provided in Form AOC-2 and annexed as **Annexure -5.**

Members may refer to Note No. 38 of the financial statement which sets out related party disclosures pursuant to IndAS-24.

24. 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.

25. 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.

26. 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.

27. Auditors

a) Statutory Auditors

M/s SS Kothari Mehta & Company., Chartered Accountants (ICAI Regd. No.: 000756N) and M/s Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N) were appointed as Auditors of the Company at the Annual General Meeting held on August 08, 2017, for term of 5 (Five) consecutive Years. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Auditors had not reported any matter under Section 143(12)of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

b) Secretarial Auditor

The Board of Directors had appointed Akash Gupta & Associates, Company Secretaries, (PCS Regis. No. 11038), to conduct Secretarial Audit for FY 2019-2020. During the year under review the company complies with all applicable secretarial standards. The Secretarial Report given by the Secretarial Auditors is annexed and forms integral part of this Report. The Secretarial Audit Report contain following observation / qualification:

1. *Delay in filing half yearly disclosures regarding related party transaction to stock exchange:*

   Company's Remark: The above said delay in filing half yearly disclosures regarding the related party transaction to the Stock exchange occurred due to inadvertent clerical mistake while filling.

2. *Delay in submission of disclosure to stock exchanges regarding acquisition of shares by the promoter to stock exchange as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:*

   Company's Remark: The above said delay in submission of disclosure to stock exchanges regarding acquisition of shares by the promoter to stock exchange as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015to the Stock exchange occurred due to non-working of work force due to Covid-19 pandemic existed pan India.

In terms of Section 204 of the Companies Act,2013, the Audit Committee recommended and the Board of Directors appointed M/s. Akash Gupta & Associates, Company Secretaries (PCS Registration No.11038) as the Secretarial Auditors of the Company in relation to the financial year 2020-21. The Company has received their consent for appointment.

c) Cost Auditor

In terms of the requirement of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the cost audit records maintained by the Company is required to be audited. The Audit Committee recommended and the Board of Directors appointed M/s Aggarwal Ashwani K & Associates, Cost Accountants, as Cost Auditors of the Company, to carry out the cost audit for the financial year 2020-21. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice of the 23rd Annual General Meeting of your Company.

The Cost Auditors' Report are self-explanatory and do not call for any further comments. The Cost Audit Report of the relevant period does not contain any qualification, reservation, adverse remark or disclaimer.

During the FY 2019-20, the Cost Auditor has not reported any matter under Section 143(12) of the Act, therefore no details is required to be disclosed under Section 134(3)(ca) of the Act.

d) Internal Auditors

The Board of Directors on recommendation of the Audit Committee, appointed M/s. Aditi Gupta & Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2020-21.

The Internal Auditors' Report submitted to the Board were not contained any qualification, reservation, adverse remark or disclaimer, however suggestions given by the internal auditors for the improvement of the system were taken by the management.

28. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

29. Business Responsibility Report

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosures into our Annual Report as **Annexure-6.** The Board of Directors has adopted a Business Responsibility Policy. The said Policy is available on Company's website at http://www.insecticidesindia.com/CompanyPolicy.html

30. 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 - 7** to this report.

31. Extract of Annual Return

In accordance with Section 134 (3) (a) of the Act, an extract of Annual Return of the Company is annexed herewith as **Annexure -8** to this Report.

The annual return for the financial year 2019-20 is available on Company's website at : http://www.insecticidesindia.com/Extract-of-Annual-Return.html

32. 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.

Further, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said Policy is available on Company's website at http://www.insecticidesindia.com/

33. 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.

34. Unclaimed Dividend

As per the Companies Act, 2013, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year under review, in terms of provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend for financial year 2011-12, aggregating to Rs.33,377.50/- was transferred to Investors Education and Protection Fund. As per Regulation 43 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015, no shares are lying in the suspense account of the Company.

35. Insurance

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

36. Nature of Business

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

37. Listing of Securities

The Company's equity shares are listed on BSE Limited & National Stock Exchange Limited.

38. Cautionary Statement

Statements in the Board's report and the Management Discussion and Analysis Report describing the expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country and other factors which are material to the business operations of the Company.

39. Appreciation

Your Company has been able to perform efficiently because of the culture of professionalism, creativity, integrity andcontinuous improvement in all functions and areas as well as the efficient utilization of theCompany's resources for sustainable and profitable growth.

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible.

The Directors appreciate and value the contribution made by every member of the IIL family.

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

Place: Delhi Dated:June 25, 2020	**Sd/-** **(Hari Chand Aggarwal)** Chairman & WTD DIN-00577015	**Sd/-** **(Rajesh Aggarwal)** Managing Director DIN-00576872

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

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	OAT & IIL India Laboratories Private Limited (Joint Venture Company)
1. Latest audited Balance Sheet Date	31.03.2020
2. Date on which the Associate or Joint Venture was associated or acquired	06.03.2013
3. Shares of Associate/Joint Ventures held by the company on the year end	
No.	795000
Amount of Investment in Associates/Joint Venture	795.00
Extend of Holding %	20
4. Description of how there is significant influence	Joint Venture Agreement & Shareholding of 20% in OAT&IIL
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	
7. Profit / Loss for the year	
I. Considered in Consolidation	20%
i. Not Considered in Consolidation	80%

1. Names of associates or joint ventures which are yet to commence operations. – NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year.-NIL

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

	Sd/-	**Sd/-**
	(Hari Chand Aggarwal)	**(Rajesh Aggarwal)**
Place: Delhi	Chairman & WTD	Managing Director
Dated:June 25, 2020	DIN-00577015	DIN-00576872

Annexure - 2

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.**

   Insecticides (India) Limited is known for its Social Responsibility for long time before the incorporation of Corporate Social responsibility in the Companies Act. The Company's CSR Policy is in adherence to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder and provides for carrying out CSR activities. The Company undertake activities relating to rural development including 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 etc. through various non-profit Organizations, viz IIL Foundation, Navjyoti India Foundation, Shree Aggarsain North Ex Welfare Society, Brahma Kumaris Educational Society and others

   The CSR spend may be carried out by way of donation to the corpus of the above 'Non-Profit Organisations' or contribution towards some specific project being undertaken by any of the organisations or to Central / State Government Relief Funds or directly by the Company. The CSR policy is available on Company's website. The web link of the same is http://www.insecticidesindia.com/CompanyPolicy.html

2. **The 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

   During the year, four meetings i.e. on May 28, 2019; August 02, 2019, November 13, 2019 and February 07, 2020 were held.

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

   The Average net profit for the last three financial years is Rs. 11769.00 Lacs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

   The Company is required to spend Rs. 235.38 Lacs towards CSR for the Financial Year 2019-20

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

   a) Total amount spent for the financial year: Rs. 190.82 Lacs

   b) Amount unspent, if any: Rs. 44.56 Lacs

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

(₹ in Lacs)

S. No.	CSR Projects / Activities	Sector in which the project is covered	Locations	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs sub heads:1) Direct expenditure on project (2) overheads	Cumulative Expenditure upto reporting period	Amount spent	
							Direct	Through implementing agency
1	Kisaan Jagrukta Abhiyan (Training programmes to Farmers)	Farmers Education, Up-liftment and Green Initiative	PAN India	100.00 (FY-2019-2020)	94.83	300.04	-	94.83
2	Project Vidya (Child education in rural areas)	Education	PAN India	4.00 (FY-2018-2019)	03.57	15.89	-	03.57
3	Navjyoti India Foundation (NGO)	Rural Development	Delhi	Budget as per Agency demand on Yearly Basis	07.00	38.00	-	07.00
4	AmanUday (NGO)	Skill Development	Haryana	NGO demand 8Lks approved 02 lakhs	02.00	03.00	-	02.00
5	Shubhakshika Educational Society	Education	Delhi	Budget as per Agency demand on Yearly Basis	06.00	25.84	-	06.00
6	Brahma Kumaris educational Soceity	Education	Delhi	Yearly Programe	09.52	09.52	-	09.52
7	Rajyoga Education and Research Foundation	Education and Research	Haryana	Budget as per Agency Demand	10.00	10.00	-	10.00
8	Shree Agresen Northex Welfare Society	Health	New Delhi	Budget as per Agency demand on Yearly Basis	50.00	50.00	-	50.00
9	Maharaja Agrasen Naturopathy & Yoga Sadhana Research	Health	Delhi	Yearly Programe	05.00	05.00	-	05.00
10	Bharat Kumar -Race Across America	Sports	PAN India	Budget as per Agency demand on Yearly Basis	00.50	00.50	-	00.50
	Total				**188.42**	**457.79**		**188.42**

6. **In case the Company has failed to spent 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:** The Amount of Rs. 44.56 for last financial year i.e FY 2019-20 is unspent pursuant to the CSR Committee Meeting held on August 02, 2019 wherein Committee has approved the long term project of construction and development of Charitable Hospital for poor and uninsured people who can't affords treatment. Further, unspent amount for the period has been transferred to CSR implementing agency of the Company i.e IIL Foundation after closure of FY 2020.

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: June 25, 2020

Sd/-
Rajesh Aggarwal
Managing Director

Sd/-
Hari Chand Aggarwal
Chairman of CSR Committee

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 1st April, 2014 and amended Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR or Listing Regulations), which has become applicable with effect from 2nd September, 2015. 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 the Act and Listing Regulations 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 market place 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 it's 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.

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of 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 2019-20:

Table no. I (₹ in Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Hari Chand Aggarwal	Chairman & (WTD)	160:1
2	Mr. Rajesh Aggarwal	Managing Director	158:1
3	Mrs. Nikunj Aggarwal	Whole-time Director	17:1

Table no. II (₹ in Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Virjesh Kumar Gupta	Independent Director	0.91:1
2	Mr. Navin Shah	Independent Director	0.73:1
3	Mr. Vinod Kumar Mittal	Independent Director	0.91:1
4	Mr. Jayaraman Swaminathan	Independent Director	1.28:1
5	Mrs. Praveen Gupta	Additional Independent Director	0.18:1

Notes:

1. Directors at above table II are Independent Directors and received only sitting fee during the year.
2. 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	Nil
2	Mr. Rajesh Aggarwal	Managing Director	Nil
3	Mrs. Nikunj Aggarwal	Whole-time Director	Nil
4	Mr. Sandeep Aggarwal	Chief Financial Officer	6.41
5	Mr. Sandeep Kumar	Company Secretary	21.45

c. The percentage increase in the median remuneration of the employees for the financial year is 17.51%. The median remuneration of the employee of the company for the financial year were Rs. 2.74/- Lakhs (Per Annum)

d. Total number of employees of the Company for the Financial Year was 1,276. The Company has maintained peaceful and harmonious relations with all its employees.

e. Average percentile increase already made in the salaries of employees was 8.92% whereas the increase in managerial remuneration is Nil. 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 Pesticides industry in which it operates, for attracting and retaining the best talent.

f. The company affirms that the remuneration is as per the Remuneration policy of the Company.

g. Statement showing the names and other details of the top ten employees in terms of remuneration drawn along with other particulars. All these employees are in whole time employment of the Company.

(₹ in Lacs)

Name and Age	Designation/ Nature of Duty	Remuneration p.a	Qualification	Age / Experience	Date of Joining	Previous Employment & Designation	% of shareholding in the Company	Relationship to any Director or Manager
Mr. Hari Chand Aggarwal	Chairman	438.25	High School	72 Years / 44 Years	01/11/ 2001	Own Business	4.47	Father of Mr. Rajesh Aggarwal, MD and Father-in-law of Mrs. Nikunj Aggarwal, WTD
Mr. Rajesh Aggarwal	Managing Director	431.59	Graduate	50 Years/ 27 Years	01/11/ 2001	Own Business	25.75	Son of Mr. Hari Chand Aggarwal, Chairman and Husband of Mrs. Nikunj Aggarwal, WTD
Mrs. Nikunj Aggarwal	Whole-time Director	45.94	B.A	47 Years/ 13 Years	02/05/ 2013	Own Business	5.44	Wife of Mr. Rajesh Aggarwal, MD and Daughter-in-law of Mr. Hari Chand Aggarwal, Chairman

Name and Age	Designation / Nature of Duty	Remuneration p.a	Qualification	Age / Experience	Date of Joining	Previous Employment & Designation	% of shareholding in the Company	Relationship to any Director or Manager
Mr. Sunil Kumar Wasan	General Manager	36.70	B-tech in Chemicals	52 Years/ 31 Years	23/02/2016	M/s Solrex Pharmaceutica l Ltd, Sr. General Manager	0.00	No Relationship with Directors
Mr. Sandeep Aggarwal	CFO	34.30	Chartered Accountant	52 Years/ 31 Years	01/08/2011	Own Business	0.00	No Relationship with Directors
Mr. Arun Kohli	G.M – Institutional Sales	33.80	Phd, Management	60 Years/ 40 Years	29/10/1960	M/s UPL Limited	0.00	No Relationship with Directors
Mr. Sanjay Singh	A.G.M, Market Development	29.70	MSC	52 Years/ 27 Years	12/06/2012	M/s Dhanuka Agritech Ltd, Sr. Product Manager	0.00	No Relationship with Directors
Dr. Lokesh Chander Rohela	Sr. GM, Quality	28.02	Phd, Synthetic Organic Chemistry, IIT-Delhi	67 Years/ 37 Years	09/06/1953	Crystal Crop Production Private Limited	0.00	No Relationship with Directors
Mr. Srikant S Satwe	Head, International Business	26.71	MSC and PGDMS	57 Years / 32 Years	08/12/2014	M/s Hikal Ltd, Head Marketing	0.00	No Relationship with Directors
Mr. Vinod Kumar Garg	General Manager	26.29	B.Com, LLB	61 Years/ 36 Years	01/06/2002	-	0.00	No Relationship with Directors
Dr. Mukesh Kumar Aggarwal	General Manager	25.89	P.hd and MSC	58 Years/ 27 Years	21/12/2001	M/s Hindustan Pulverising Mills, Manager QC & Production	0.00	No Relationship with Directors
Mr. P C Pabbi	Vice President	24.43	Graduate	59 Years/ 34 Years	23/03/1961	Own Business	0.00	No Relationship with Directors

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

Place: Delhi
Dated:June 25, 2020

Sd/-
(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

Sd/-
(Rajesh Aggarwal)
Managing Director
DIN-00576872

"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 Remunera-tion 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 71, 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 focused 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.

S. No.	Name	Designation	Profile
2	Mr. Virjesh Kumar Gupta	Member	Mr. Virjesh Kumar Gupta, aged 73 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 78 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 Five 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 Relationship 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	

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

1. 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.
2. 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:

Annexure -5

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 Arm's length transactions under third proviso thereto.

1. Details of contract or arrangements not at Arm's Length basis.

(₹ in Lacs)

(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 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
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2. Details of contract or arrangements at Arm's Length basis.

(a) S. No	(b) Name (s) of the related party and nature of relationship		(c) Nature of contracts/ arrangements/ transactions	(d) Duration of the contracts/ arrangements/ transactions	(e) Salient terms of the contracts or arrangements or transactions including the value, if any	(f) Date(s) of approval by Board	(g) Amount paid as advances, if any
1.	Crystal Crop Protection Pvt. Ltd	Relative of KMP has control /significant influence	Purchase and sale of goods and other obligations, if any.	N/A	N/A	04/02/2019	625.57
2.	HPM Chemicals & Fertilizers Limited			N/A	N/A		N/A
3.	Valves & Pneumatics			N/A	N/A		
4.	Vinod Metal Industries			N/A	N/A		
5.	Indogulf Cropsciences Limited			N/A	N/A		
6.	Smt. Soniya Aggarwal	Relative of KMP	Consultancy Services	2 Years (from 01/04/2019 to 31/03/2021)	As per Consultancy Agreement		
7.	Smt. Pushpa Aggarwal	Relative of KMP	Rent Expenses	5 Years (from 01/04/2019 to 31/03/2024)	As per Lease / Rent Agreement		
8.	ISEC Organics Ltd.	KMP have control /significant influence	Rent Expenses	5 Years (from 01/04/2019 to 31/03/2024)	As per Lease / Rent Agreement		
9.	OAT & IIL India Laboratories Pvt. Ltd	Joint Venture	Job Work	N/A	N/A		4.97

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

Place: Delhi
Dated:June 25, 2020

Sd/-
(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

Sd/-
(Rajesh Aggarwal)
Managing Director
DIN-00576872

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L65991DL1996PLC083909
2.	Name of the Company	:	Insecticides (India) Limited
3.	Registered address	:	401-402, Lusa Tower, Azadpur Commercial Complex, Delhi - 110033
4.	Website	:	www.insecticidesindiacom
5.	E-mail id	:	investor@insecticidesindia.com
6.	Financial Year reported	:	01/04/2019 to 31/03/2002
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	

Description	NIC 2008 Code of the Product/ service
Manufacturing and trading of Agro Chemicals	Group: 202 Class: 2021

8. List three key products/ services that the Company manufactures/ provides:
   a. Insecticides
   b. Herbicides
   c. Fungicides

9. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations : Nil
   (b) Number of National Locations : The Company has manufacturing facilities situated at 4 locations viz Chopanki (Rajasthan), Dahej (Gujarat), Sambha; Udhampur (J&K)

10. Markets served by the Company : In addition to serving the Indian market, the Company exports to around 24 countries worldwide.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : Rs. 20.67 Crores
2. Total Turnover(INR) : Rs. 1363.22 Crores
3. Total profit after taxes(INR) : Rs. 86.04 Crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%):2.21%
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Farmer Awareness (Education)
   (b) Rural development project
   (c) Education
   (d) Healthcare
   (e) Adoption of School in rural areas
   (f) Employment enhancing vocational skills

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies – No.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) – Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than60%] – Not Applicable

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
   (a) Details of the Director/Director responsible for implementation of the BR policy/policies
      1. DIN Number : 00576872
      2. Name : Mr. Rajesh Aggarwal
      3. Designation : Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00576872
2	Name	Mr. Rajesh Aggarwal
3	Designation	Managing Director
4	Telephone number	011-27679700
5	e-mail id	rajesh@insecticidesindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on the National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies were signed by Mr. Hari Chand Aggarwal, Chairman								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.insecticidesindia.com/CompanyPolicy.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2options) :Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year : Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report ? How frequently it is published?

Yes, BR will be published annually in the Annual Report http://www.insecticidesindia.com/CompanyPolicy.html

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

   Yes.

   This Policy covers the Insecticides (India) Limited but not to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/ Others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

For investors grievances please refer to Corporate Governance Report.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/oropportunities.
   (a) Nuvan
   (b) Thimet
   (c) Pulsor

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The Company manufactures and distributes at its world class manufacturing facilities, a wide range of Branded & Generics Formulations. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several measures to reduce the consumption of energy and water.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, at local and at international level. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials. The Company has longstanding business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from all its vendors.

4. Has the company taken any steps to procure goods and services from local &small producers, including communities surrounding their place of work?
   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company procures goods and avail services also from local and small vendors, particularly those located around its manufacturing locations. The Company provides technical support and guidance to vendors in developing products and capability wherever possible.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Yes. The Company has mechanism for recycling of product as well as waste. Specific percentage of the same is not ascertained but optimum recycling of product and waste has been made.

Principle 3

1. Please indicate the Total number of employees. : 1,276
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 805
3. Please indicate the Number of permanent women employees : 26
4. Please indicate the Number of permanent employees with disabilities : Nil
5. Do you have an employee association that is recognized by management : No
6. What percentage of your permanent employees is members of this recognized employee association? – Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees : 90%
   (b) Permanent Women Employees : 75%
   (c) Casual/Temporary/Contractual Employees : 90%
   (d) Employees with Disabilities : N.A.

Principle 4

1. Has the company mapped its internal and external stakeholders ? Yes/No

   Yes

2. Out of the above, has the company identified the dis-advantaged, vulnerable & marginalized stakeholders.

   Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words orso.

   The Company through its Non-Profit Organisations viz. IIL Foundation, farmers awareness programme, project vidhya, Navjyoti India Foundation and others are taking various initiatives in the area of Education, Healthcare including Preventive Healthcare, Community outreach programs, Sanitation, Employment enhancing vocational skills, etc. to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/JointVentures/ Suppliers/ Contractors/NGOs/Others?

   The Company's Policy on Human Rights cover the Insecticides (India) Limited only.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the reporting period company has not received any complaint.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/JointVentures/Suppliers/ Contractors/ NGOs/others.

   The Company's Policy covers the Insecticides (India) Limited only.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

   No.

3. Does the company identify and assess potential environmental risks ? Y/N

   Yes, The Company is continually working towards the improvement of environment by taking steps further and has signed to install the Solar Power plants in its factories.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Yes, Clean Development Mechanism measure have been part of our continuous endeavour of excellence. Installation of Solar Power plant is one of them.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in Annexure 7 to the Board's Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   (a) Crop Care Federation of India (CCFI)

   (b) NIPMA

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes, The Company has advocated on various areas concerning economic reforms, best practices, new standards or regulatory development pertaining to Agrochemical industry through the associations, from time to time.

Principle 8

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Company has carried out various community development activities from several years. Company has established, nurtured and promoted various Non-Profit Organisations focusing on three major areas – Education, Healthcare and Rural Development. The details are mentioned in Annexure 2 to the Board's Report.

2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?

   The Company undertakes programmes/projects directly/ through various Non-Profit Organisations viz. IIL Foundation, Navjyoti India Foundation, Shubhakshika Educational Society and others.

3. Have you done any impact assessment of your initiative?

   Yes

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The Details are mentioned in Annexure – 2 to the Board's Report

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, orso.

   The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken. Various projects are undertaken with Government and Semi- Government agencies that have their monitoring mechanisms and impact assessment systems. We believe that our initiatives has genuinely covered and benefited large number of beneficiaries.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additionalinformation)

   No. The Company follows all legal statues with respect to product labelling and displaying of product information.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words orso.

   No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   No.

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

Sd/-	**Sd/-**
(Rajesh Aggarwal)	**(Hari Chand Aggarwal)**
Managing Director	Chairman&WTD
DIN-00576872	DIN-00577015

Place: Delhi
Dated: June 25, 2020

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

A. Conservation of resources and Energy

(I) Steps taken or impact on conservation of energy: Environmental sustainability is embedded in IIL Policy. As part of long term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. At IIL, sustainability inspires and guides everything the Company does. Moreover, the Company gives highest priority to ensure environmental friendly practices at all factories and offices. These include reduction in power consumption, optimal water consumption, eliminating excess use of paper and using eco-friendly products.

We continued our efforts on conservation of resources through automation, highly efficient utilization, adoption of efficient machines which helps us to conserve resources, while efficient waste management and reduction in carbon emission.

As in the past, the Company continued to stress upon measures for the conservation and optimal utilisation of energy in all the areas of operations. Within the Company there are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy & CO2 emissions while maximizing production volumes.

During the year, Company has undertaken several Civil and Construction works in the all its for improving the efficiency and productivity, which will eventually save the energy and resources in long period of time.

(ii) The steps taken by the company for utilizing alternate sources of energy: During the year under review, the Company has signed the Agreement for installation of Solar Plant at its Chopanki facility to reduce the traditional electricity consumption. The said project after commencement will produce installed capacity approximately 350 KWP.

(iii) Capital investment on energy conservation equipments: The Company continuously endeavors to discover usages on new technologies and tools to save the energy and reduce consumption. The Company has been keen on investing for energy conservation projects as installation of Solar Plant in its Chopanki Facility.

B. 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.

We have adopted IT in such a way that its beneficial to derive 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.

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.

Research and Development (R&D)

(i) Specific areas in which R&D carried out by the Company - Your Company put emphasis on R&D and spends enormous amounts and efforts in R&D for gaining industrial experiences. First of its kind Joint Venture with Japanese via OAT & IIL Laboratories Private Limited in the Year 2013 and R&D Center at Chopanki. It has therefore been possible for your Company to focus on introduction of new innovative products for the farmers and testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials also continued to receive close attention.

(ii) Benefits derived as a result of the above R&D - During the year under review the company has introduced several products for the benefit of the farmers. The Company's Vision is in consonance with the vision of the Prime Minister of India to double farmer's incomes by 2022. Company has launched revolutionary 8 products during the year named as Super Racer, UNO, Lethal Gold, Rockstar, Tozo, Kunoichi, Chaperone and Bheema Super. Further, following are the enlisted R&D activities of the companies:

a. Till date the Company has filed 28 patents out of which 9 patents are already received.

b. The Company has R&D workforce of about 60+ Scientists which includes the scientists of OAT & IIL Laboratories Pvt. Ltd.

c. The R&D Team has developed more than 59 processes.

d. With the increase in thrust on cost optimisation R&D team of IIL have focused on specific cost reduction projects for the molecules which are already generic in the regulated market, which has experienced price erosion.

(iii) Future plan of action - Steps are continuously being taken for innovation and renovation of products including new product development, improvement of packaging and enhancement of product quality / profile, to offer better products at relatively affordable prices to the consumers. The Company expected to introduce 5-6 new products during the year 2020.

The expenditure incurred on Research and Development:

(₹ in Lacs)

Particulars	Amount
Capital	24.50
Recurring	165.79
OAT & IIL Laboratories Private Limited	326.56
Total	**516.85**

C. Foreign exchange earnings and Outgo

During the year under review company has applied for licenses in various countries to increase its export, these initiatives were taken to improve the exports; development of new export market for products and export plans.

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	5,649.01
Foreign exchange used	28,264.46

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

Sd/-
(Rajesh Aggarwal)
Managing Director
DIN - 00576872

Sd/-
(Hari Chand Aggarwal)
Chairman
DIN - 00577015

Place: Delhi
Dated: June 25, 2020

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	L65991DL1996PLC083909
2	Registration Date	December 18, 1996
3	Name of the Company	Insecticides (India) Limited
4	Category / Sub-Category of the Company	Public Company/Limited by Shares
5	Address of the Registered office and contact details	401-402, Lusa Tower, Azadpur Commercial Complex , Delhi – 110033 Tele Fax No.: 011-27679700-04 Email: investor@insecticidesindia.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, If any.	**Alankit Assignments Limited** Alankit House, 1E/13, Jhandewalan Exten., Delhi – 110055 Tel. No : 011-42541234 Fax No : 011-42541967 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:-

S. No.	Name and Description of main products / services	NIC2008 Code of the Product/ service	% to total turnover of the company
1.	Agro Chemicals	Group: 202 Class: 2021	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. 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)and Explanation (b)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

S. No	Category of Shareholders	No. of Shares Held at the begnning of the Year				No. of Share held at the end of the Year				% Change during the Year
		DEMAT	Physical	Total	% of total Shares	DEMAT	Physical	Total	% of total Shares	
A.	Promoter									
(1)	Indian									
a)	Individual/HUF	1,39,54,500	-	1,39,54,500	67.52	1,39,83,516	-	1,39,83,516	67.66	0.14
b)	Central Government	-	-	-	-	-	-	-	-	-

S. No	Category of Shareholders	No. of Shares Held at the begning of the Year				No. of Share held at the end of the Year				% Change during the Year
		DEMAT	Physical	Total	% of total Shares	DEMAT	Physical	Total	% of total Shares	
c)	State Government	-	-	-	-	-	-	-	-	-
d)	Body Corporate	2,54,550	-	2,54,550	1.23	2,54,550	-	2,54,550	1.23	-
e)	Banks / FI	-		-	-	-		-	-	-
f)	Any other	-		-	-	-		-	-	-
	Sub Total (A) (1) : -	**1,42,09,050**	**-**	**1,42,09,050**	**68.75**	**1,42,38,066**	**-**	**1,42,38,066**	**68.89**	**0.14**
(2)	**Foreign**			**-**	**-**			**-**	**-**	**-**
a)	NRIs Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Body corporates	-	-	-	-	-	-	-	-	-
d)	Bank/ FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (2): -	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total ShareHolding of Promoter (A) = (A)(1)+(A)(2)	**1,42,09,050**	**-**	**1,42,09,050**	**68.75**	**1,42,38,066**	**-**	**1,42,38,066**	**68.89**	**0.14**
B.	Public Share Holding			-	-			-	-	-
(1)	Institutions			-	-			-	-	-
a)	Mutual Funds	18,42,997	-	18,42,997	8.92	20,78,315	-	20,78,315	10.06	1.14
b)	Banks/FI	9,88,349	-	9,88,349	4.78	8,23,529	-	8,23,529	3.98	(0.80)
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-		-	-	-	-
h)	Foreign Portfolio Investors	7,56,410	-	7,56,410	3.66	9,17,336		9,17,336	4.44	0.78
i)	Other (Specify)	2,19,667	-	2,19,667	1.06	2,62,662	-	2,62,662	1.27	0.21
	Sub Total (B)(1)	**38,07,423**	**-**	**38,07,423**	**18.42**	**40,81,842**	**-**	**40,81,842**	**19.75**	**1.33**
(2)	Non Institutions			-	-			-	-	-
a)	Bodies Corp.									
(i)	Indian	5,05,415	-	5,05,415	2.45	2,99,753		2,99,753	1.45	(1.00)
(ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals			-	-			-	-	-
(i)	Individual Shareholders holding nominal share capital upto Rs. 1 lakh	14,89,581	109	14,89,690	7.21	14,95,934	109	14,96,043	7.24	0.03
	Individual Shareholders holding nominal share capital exceeds of Rs. 1 lakh	3,58,905	-	3,58,905	1.74	2,76,481	-	2,76,481	1.34	(0.40)
c)	Others									
(i)	NBFC Registered with RBI	29,135	-	29,135	0.14	3,750		3,750	0.02	(0.12)
(ii)	Other (NRI)	81,762	-	81,762	0.40	81,153	-	81,153	0.39	(0.00)
(iii)	Other (Trust)	2,778	-	2,778	0.01	2,778	-	2,778	0.01	-
(iv)	Others (Resident HUF)	1,64,792	-	1,64,792	0.80	1,40,412	-	1,40,412	0.68	(0.12)
(v)	Other (Clearing Member)	18,846	-	18,846	0.09	47,518	-	47,518	0.23	0.14
	Sub-Total (B) (2)	**26,51,214**	**109**	**26,51,323**	**12.83**	**23,47,779**	**109**	**23,47,888**	**11.36**	**(1.47)**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**64,58,637**	**109**	**64,58,746**	**31.25**	**64,29,621**	**109**	**64,29,730**	**31.11**	**(0.14)**
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**2,06,67,687**	**109**	**2,06,67,796**	**100.00**	**2,06,67,687**	**109**	**2,06,67,796**	**100.00**	**-**

ii. **Shareholding of Promoters**

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% Change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pleged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pleged / encumbered to total Shares	
1	H C AGGARWAL HUF	14,94,000	7.23	-	14,94,000	7.23	-	-
2	HARI CHAND AGGARWAL	9,23,400	4.47	-	9,23,400	4.47	-	-
3	RAJESH AGGARWAL	52,92,900	25.61	-	53,21,916	25.75	-	0.14
4	PUSHPA AGGARWAL	21,51,900	10.41	-	21,51,900	10.41	-	-
5	RAJESH AGGARWAL HUF	19,53,000	9.45	-	19,53,000	9.45	-	-
6	NIKUNJ AGGARWAL	11,25,000	5.44	-	11,25,000	5.44	-	-
7	KRITIKA AGGARWAL	1,12,500	0.54	-	1,12,500	0.54	-	-
8	SANSKAR AGGARWAL	9,01,800	4.36	-	9,01,800	4.36	-	-
9	ISEC ORGANICS LTD.	2,54,550	1.23	-	2,54,550	1.23	-	-
	Total	**1,42,09,050**	**68.75**	**-**	**1,42,38,066**	**68.89**	**-**	**0.14**

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total ShareCapital of the Company	No. of Shares	% of total Share Capital of the Company
	at the beginning of the year	1,42,09,050	68.75	1,42,09,050	68.75
1	**Mr. Rajesh Aggarwal**				
	at the beginning of the year	52,92,900	25.61		
	Date wise increase / Decrease in promoters Share holding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / Sweat equity etc) **on March 24, 2020 open market purchase.**	29,016	0.14	1,42,38,066	68.89
	At the end of the Year	53,21,916	25.75	1,42,38,066	68.89

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

Sl. No.	Name of the top 10 shareholders	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
1	HDFC Small & Midcap Fund	14,66,580	7.10	17,30,000	8.37
2	Life Insurance Corporation of India	9,72,482	4.71	8,06,719	3.90
3	India Insight Value Fund	2,22,000	1.07	3,82,500	1.85
4	Fidelity Northstar Fund	2,00,000	0.97	2,00,000	0.97

Sl. No.	Name of the top 10 shareholders	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
5	BNP Paribus MID CAP Fund	1,62,115	0.78	1,76,000	0.85
6	HDFC Trustee Company Ltd A/c HDFC Hybrid Equity Fund	1,78,581	0.86	1,69,125	0.82
7	Mayank Singhal	84,000	0.41	1,05,643	0.51
8	VEC Strategic Equity Funds	64,110	0.31	87,593	0.42
9	SHBNPP India Security Master Equity	78,450	0.38	85,050	0.41
10	VEC Indian Special Situtation Master Fund Ltd	64,900	0.31	64,900	0.31

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors and KMP	Director Identification No. (DIN)	Shareholding at the beginning of the year		Cumulative Shareholding during the year		% change in share-holding during the year
			No, of Shares	% of total shares of the company	No, of Shares	% of total shares of the company	
	Directors						
1	Hari Chand Aggarwal	00577015	9,23,400	4.47	9,23,400	4.47	0.00
2	Rajesh Aggarwal	00576872	52,92,900	25.61	53,21,916	25.75	0.14
3	Nikunj Aggarwal	06569091	11,25,000	5.44	11,25,000	5.44	0.00
	Key Managerial Personnel (KMPs)						
1	Sandeep Kumar (CS)		-	-	-	-	-
2	Sandeep Aggarwal (CFO)		-	-	-	-	-

V. 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
Indebtedness at the beginning of the financial year				
i) Principal Amount	30520.44	-	-	30520.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	102.47	-	-	102.47
Total (i+ii+iii)	**30622.91**	**-**	**-**	**30622.91**
Change in Indebtedness during the financial year				
Addition	2,009.47	-	-	2,009.47
Reduction	(13,787.44)	-	-	(13,787.44)
Net Change	**(11,777.97)**			**(11,777.97)**
Indebtedness at the end of the financial year				
i) Principal Amount	18742.47	-	-	18742.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19.68	-	-	19.68
Total (i+ii+iii)	**18762.15**	**-**	**-**	**18762.15**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of the Remuneration	Hari Chand Aggarwal	Rajesh Aggarwal	Nikunj Aggarwal	Total Amount
1	**Gross Salary**				
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	107.14	95.26	43.15	245.55
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.40	0.40	0.32	1.12
	© Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	324.23	330.17	-	654.40
	- others, specify	-	-	-	-
5	Others (Company's contribution to PF)	6.48	5.76	2.47	14.71
	Total (A)	**438.25**	**431.59**	**45.94**	**915.78**
	Overall Ceiling as per the Act	**Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013**			**122602**

B. Remuneration/ Sitting fee to other directors:

(₹ in Lacs)

Sl. No.	Particulars of the Remuneration	Name of Directors					Total Amount
1	Independent Directors	Mr. S. Jayaraman	Mr. Navin Shah	Mr. Vrijesh Kumar Gupta	Mr. Vinod Kumar Mittal	Mrs. Praveen Gupta*	
a	Fees for attending board / committee meetings	3.50	2.00	2.50	2.50	0.50	**11.00**
b	Commission	0.00	0.00	0.00	0.00	0.00	0.00
c	Others	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1)	**3.50**	**2.00**	**2.50**	**2.50**	**0.50**	**11.00**
2	**Other Non-Executive Directors**						
	Fees for attending board / committee meetings						
	Commission						
	Others						
	Total (2)						
	Total Managerial Remuneration (1+2)	**3.50**	**2.00**	**2.50**	**2.50**	**0.50**	**11.00**
	Overall Ceiling as per the Act	**Being 1% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013**					**12260**

* Mrs. Praveen Gupta, Appointed as Independent Women Director w.e.f 15/02/2020
^Total remuneration to chairman and Managing Director, Whole-time directors and other Directors (Being the total of A and B)

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

(₹ in Lacs)

Sl. No.	Particulars of the Remuneration	Sandeep Kumar CS	Sandeep Aggarwal CFO	Total
1	**Gross Salary**			
	a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	10.14	32.45	42.59
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0.22	0.22
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others			
	- Arrear Salary	0	0	0
	- Company's Contribution to PF	0.58	1.85	2.43
	Total	**10.72**	**34.52**	**45.24**

VII. 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					
Punishment			N.A		
Compounding					
B. DIRECTORS					
Penalty			N.A		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			N.A		
Punishment					
Compounding					

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Code of Governance

Insecticides (India) Limited ("Insecticides India or IIL") 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 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

i. Insecticides India recognises and embraces the importance of diverse, well informed Board to ensure high standards of Corporate Governance. At Insecticides India the Board is at the core of our Corporate Governance practice. The Board of Directors, along with its Committees, play a fundamental role in upholding and nurturing the principles of good governance in the Company. In addition to the requisite specific professional expertise, management and leadership experience for the given task, members of the Board cover the broadest possible spectrum of knowledge, experience, educational and professional backgrounds. The Board sets the overall corporate objectives and provides necessary guidance and independence to the Management. The Board operates within a well-defined framework, which enables it to discharge its responsibilities and duties of safeguarding the interests of the Company thereby enhancing stakeholder value. The Board has identified certain core skills and competencies which are required in the context of the business viz. Management and Strategy, Business Leadership, Human Resources and Industrial Relations, Purchase and Supply Chain, Research and Development, Finance and Taxation, CSR, Sustainability matters, Audit and Risk Management, understanding of corporate governance, regulatory, fiduciary and ethical requirements, integrity, credibility, trustworthiness, strong interpersonal skills and willingness to address issues proactively. The Board of Directors have demonstrated all the required core skills as well as competencies.

ii. As on March 31, 2020, the Company has Eight Directors. Out of Eight Directors, Five (i.e. 62.5%) are Independent Directors. The profiles of Directors can be found on (http://www.insecticidesindia.com/board.html). The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI ('Listing Regulations') read with Section 149 of the Companies Act, 2013(the 'Act').

iii. None of the Directors on the Board hold directorships in other Listed Company and more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other except Shri Hari Chand Aggarwal, Shri Rajesh Aggarwal and Smt. Nikunj Aggarwal.

iv. None of the Directors on the board of the Insecticides (India) Limited have been debarred or disqualified from being appointed or continue as director of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority and the certificate of the same has been received from the Company Secretary in Practice.

v. Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149 (6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act. Based on the disclosure received from the independent directors and also in the opinion of the board, the independent directors fulfill the conditions as specified in Companies Act 2013, the Listing regulations and are independent of the management.

vi. None of the independent director has resigned before the expiry of his tenure during the financial year 2019-20.

vii. Five Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

May 28, 2019; August 02, 2019; November 13, 2019, February 07, 2020 and March 05, 2020.

The necessary quorum was present for all the meetings.

viii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020, are given herein below. For reckoning the limit of the Board Committees, chairpersonship and membership, Audit Committee and Stakeholders' Relationship Committee has only been considered under Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director & DIN	Category	Number of board meetings attended during the year	Whether attended last AGM	Number of Directorships in other Companies	Number of Committee positions held in other Companies		Share holding (No. of Share)
					Chairman	Member	
Shri Hari Chand Aggarwal (DIN:00577015)	Chairman cum Whole Time Director	4	Yes	-	-	-	923400
Shri Rajesh Aggarwal (DIN:00576872)	Managing Director	5	Yes	3	-	-	5321916
Smt. Nikunj Aggarwal (DIN:06569091)	Whole time Director	5	Yes	-	-	-	1125000
ShriNavin Shah (DIN:02701860)	Independent Director	4	No	2	-	-	-
Shri Virjesh Kumar Gupta (DIN:06382540)	Independent Director	5	Yes	-	-	-	-
Shri Vinod Kumar Mittal (DIN:07421742)	Independent Director	5	Yes	-	-	-	-
Shri S. Jayaraman (DIN:02634470)	Independent Director	5	Yes	-	-	-	-
Smt. Praveen Gupta (DIN: 00180678)#	Independent Director	1	NA	3	2	3	-

 # Mrs. Praveen Gupta has been appointed as Additional Independent Women Director of the Company w.e.f February 15, 2020.

Names of the listed entities where the person is a director and the category of directorship

Name of Director	Name of Listed Company and Category of Directorship
Shri Hari Chand Aggarwal	-
Shri Rajesh Aggarwal	-
Smt. Nikunj Aggarwal	-
Shri Navin Shah	-
Shri Virjesh Kumar Gupta	-
Shri Vinod Kumar Mittal	-
Shri S. Jayaraman	-
Smt. Praveen Gupta	Advance Steel Tubes Limited, Independent Director
	Prakash Pipes Limited, Independent Director
	Sophia Exports Limited, Independent Director

ix. **Relationship among the Directors**

Sl. No	Name of the Directors	Relationship with other Disclosures
1	Shri Hari Chand Aggarwal	Father of Shri Rajesh Aggarwal and father-in-law of Smt. Nikunj Aggarwal
2	Shri Rajesh Aggarwal	Son of Shri Hari Chand Aggarwal and Spouse of Smt. Nikunj Aggarwal
3	Smt. Nikunj Aggarwal	Daughter-in-law of Shri Hari Chand Aggarwal and Spouse of Shri Rajesh Aggarwal

x. During the year 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

xi. The terms and conditions of appointment of the Independent Directors are available on the website of the Company at: http://www.insecticidesindia.com/CompanyPolicy.html

xii. During the year 2019-20, two meeting of the Independent Directors were held on May 28, 2019 and February 07,2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.

xiii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

xiv. The details of the familiarization programme of the Independent Directors are available on the website of the Company at : http://www.insecticidesindia.com/FamiliarizationIDS.htm

xv. **Matrix setting out the skills/expertise/competence of the board of directors**

The board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organisation evolves and hence the board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

The skill sets identified by the board along with its availability assessment collectively for the board and individually for each Director are as under:

Core skills/ Experience/ Competence	Actual Availability with current board	Mr. Hari Chand Aggarwal	Mr. Rajesh Aggarwal	Mrs. Nikunj Aggarwal	Mr. Navin Shah	Mr. S. Jayaraman	Mr. Virjesh Kumar Gupta	Mr. Vinod Kumar Mittal	Mrs. Praveen Gupta
Industry Skills									
(a) Agro Chemical Industry	Available	✓	✓	✓	✓	✓	-	-	-
(b) Creating value through Intellectual Property Rights	Available	-	✓	✓	-	✓	-	-	✓
(c) Board Experience	Available	✓	✓	-	✓	-	-	-	✓
(d) Global Operations	Available	-	✓	-	-	✓	✓	✓	✓
(e) Value supporting inorganic growth	Available	✓	✓	-	-	✓	✓	✓	✓
Technical skills/experience									
(a) Strategic Planning	Available	✓	✓	✓	✓	✓	✓	✓	✓
(b) Risk and compliance oversight	Available	✓	✓	-	✓	✓	-	✓	✓
(c) Marketing	Available	✓	✓	-	✓	✓	✓	✓	✓
(d) Policy development	Available	✓	✓	✓	✓	✓	✓	✓	✓
(e) Accounting, Tax, Audit & Finance	Available	✓	✓	✓	✓	✓	✓	✓	✓
(f) Legal	Available	✓	✓	-	-	-	✓	✓	✓
(g) Sales	Available	✓	✓	✓	-	✓	-	-	-
(h) Human Resource	Available	✓	✓	✓	✓	✓	✓	-	-
(i) Liasoning	Available	✓	✓	✓	✓	✓	✓	✓	✓
Behavioural Competencies									
(a) Integrity & ethical standards	Available	✓	✓	✓	✓	✓	✓	✓	✓
(b) Mentoring abilities	Available	✓	✓	✓	✓	✓	✓	✓	✓
(c) Interpersonal Relations	Available	✓	✓	✓	✓	✓	✓	✓	✓

xvi. Directors Profile - A brief resume of all Directors, nature of their expertise in specific functional areas etc. are available on the website of the Company.

xvii. Scheduling and selection of agenda items for Board and Committee meetings - The Board annually holds at least four pre-scheduled meetings. Additional Board meeting may be convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. Every quarter, the Board notes compliances of all laws applicable to the Company.

xviii. Succession Planning - the Company believes succession plans should be proactive and rigorous to identify and secure the best possible talent to oversee and manage the organisation. The succession planning process of the Board and the senior management is managed by the Nomination and Remuneration Committee ("NRC") and reviewed by the Board. The Human Resource Department on a regular basis update the NRC on the succession planning framework and seek their inputs to define a structured leadership succession plan.

III. Committee of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Board has currently established the following five (5) statutory and non-statutory Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Finance Committee

1. Audit Committee

The power, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Act and Regulation 18 of Listing Regulations, as applicable, besides other terms as referred by the Board of Directors.

During the year under review, Five (5) Audit Committee Meetings were held on May 28, 2019; August 02, 2019; November 13, 2019, February 07, 2020 and March 05, 2020. The maximum time-gap between any two consecutive meetings did not exceed 120 days.

The composition of the Audit Committee and attendance of members at the meetings of the Audit Committee held during the period are as follows-:

Name of the Director	Category	Numbers of meetings attended
Shri Vinod Kumar Mittal	Independent Director - Chairman	5
Shri S. Jayaraman	Independent Director - Member	5
Shri Virjesh Kumar Gupta	Independent Director - Member	5

The Company Secretary acts as the Secretary to the Audit Committee.

Terms of Reference

a) Oversight of the Company's financial reporting process and the disclosure of its financial information;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by them.

d) 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.

e) Reviewing with the management the quarterly financial statements before submission to board for approval.

f) 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 offer document/ prospectus/ notice and report submitted by the monitoring agency monitoring the utilisation of proceed of a public or right 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 auditor's 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 Regulations.

2. Nomination and Remuneration Committee

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, 4 (Four) Nomination and Remuneration Committee Meetings were held on May 28, 2019; August 02, 2019; November 13, 2019 and February 07, 2020. The necessary quorum was present for all the meetings. The composition of the Nomination and Remuneration Committee and attendance of members at the meetings of the Nomination and Remuneration Committee held during the period are as follows-:

Name of the Director	Designation	Number of Meetings attended
Shri S. Jayaraman	Independent Director - Chairman	4
Shri Virjesh Kumar Gupta	Independent Director - Member	4
Shri Navin Shah	Independent Director - Member	3

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Terms of Reference

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 director

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.

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.

Details of the Remuneration for the year ended March 31, 2020:

a. Non-Executive Directors:

(₹in Lacs)

Name	Sitting Fees (Rs.)
Shri Navin Shah	2.00
Shri Virjesh Kumar Gupta	2.50
Shri Vinod Kumar Mittal	2.50
Shri S. Jayaraman	3.50
Smt. Praveen Gupta	0.50

b. **Chairman, Managing Director and Executive Director**

(₹in Lacs)

Name	Shri Hari Chand Aggarwal	Shri Rajesh Aggarwal	Smt. Nikunj Aggarwal
Designation	Chairman and Whole-time Director	Managing Director	Whole-time Director
Salary & Allowances	101.74	90.46	41.10
Bonus/Performance Incentive	329.63	334.97	2.05
Perquisites	0.40	0.40	0.32
Companies Contribution to PF	6.48	5.76	2.47
Stock options	NA	NA	NA
Tenure	5 years	5 years	5 years
Notice Period & Severance Pay	Three Months	Three Months	Three Months
Performance Criteria	As per Agreement	As per Agreement	As per Agreement

Note: 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 remuneration to Non-Executive Directors is based on the Nomination and Remuneration Policy of the Company. The detail of the policy is available on the website of the Company with the following link
http://www.insecticidesindia.com/CompanyPolicy.html

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company and its associates.

3. **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations, read with Section 178 of the Act.

During the year, 4 (Four) Stakeholders Relationship Committee Meetings were held as on May 28, 2019; August 02, 2019;November 13, 2019 and February 07, 2020. The necessary quorum was present for all the meetings.The composition of Stakeholders Relationship Committee meeting and number of Stakeholders Relationship Committee meetings attended by the Members during the year is given below:

(₹in Lacs)

Name of the Director	Designation	Number of Meetings attended
Shri Virjesh Kumar Gupta	Independent Director-Chairman	4
Shri Navin Shah	Independent Director-Member	3
Shri Vinod Kumar Mittal	Independent Director-Member	4

The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

Terms of Reference

a) To consider and resolve the grievances of Security holders of the Company.

b) 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.

c) To look into and redress the Shareholders / investors grievances relating to:

   i. Transfer of shares;

   ii. Non-receipt of dividends;

   iii. Non-receipt of annual reports; and

   iv. Any other complaint concerning the Shareholders / investors

d) The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.

e) Such other matters as may be required, from time to time, by any statutory or regulatory authority to be attended by the Committee;

f) Consider other matters, as from time to time be referred to it by the Board

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 and Dividend Draft Revalidation in respect of Shares	Six	Six	Nil
2	Non- receipt of Annual Report	Forty-Seven	Forty-Seven	Nil
3	Other	One	One	Nil
	Total	Fifty Four	Fifty Four	Nil

There is Nil complaint during the year which is not solved to the satisfaction of shareholders.

Compliance officer

Shri Sandeep Kumar,
(Chief Compliance Officer and Company Secretary of the Company)

4. **Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility (CSR) Committee is constituted in line with the provisions of Section 135 of the Act.

During the year, 4 (Four) meetings of the Corporate Social Responsibility Committee were held on May 28, 2019; August 02, 2019, November 13, 2019 and February 07, 2020.The necessary quorum was present for all the meetings. The composition of Corporate Social

Responsibility Committee meeting and number of Corporate Social Responsibility Committee meetings attended by the Members during the year is given below:

Name of the Director	Designation	Meetings attended
Hari Chand Aggarwal	Executive Director - Chairman	3
Rajesh Aggarwal	Executive Director - Member	4
Virjesh Kumar Gupta	Independent Director - Member	4

The Company Secretary acted as the Secretary to the Committee.

B. Terms of Reference

The Terms of reference of Corporate Social Responsibility Committee include:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activity to activities to be undertaken by the Company as per the Schedule VII of the Companies Act,2013.

b) To recommend the amount of expenditure to be incurred on the activities related to CSR; and

c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

5. Finance Committee

The Board of Directors had re-constituted the Finance Committee and modified the term and reference of Finance Committee, during the year, 11 (Eleven) Finance Committee Meetings were held as on April 15, 2019, May 13, 2019; May 28, 2019; July 12, 2019; August 02, 2019; August 16, 2019; August 22, 2019; September 09, 2019; December 23, 2019; January 18, 2020 and February 07, 2020. The necessary quorum was present for all the meetings. The composition of the Finance Committee and number of Finance Committee meetings attended by the Members during the year are given below:

Name of the Director	Designation	Number of Meetings attended
Shri Hari Chand Aggarwal	Executive Director - Chairman	11
Shri Rajesh Aggarwal	Executive Director - Member	10
Smt. Nikunj Aggarwal	Executive Director - Member	11
Shri Sandeep Aggarwal	Chief Financial Officer	11

The Company Secretary acted as the secretary to the Committee.

Terms of Reference

a) To Overview the day to day working of the Company;

b) Review of working capital and cash flow management;

c) Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing);

d) Investment of the funds of the Company (subject to compliance of all applicable provisions of Companies Act, 2013);

e) Review, consider and advice to the board any other matter related to the Finance and management of the Company;

f) To negotiate with the banks in regard reduction of rate of interest, open new account and closure of accounts;

g) Give authority for creation, modification, satisfaction of charge on assets of the company, hypothecation on movable and immovable assets of the Company;

h) Power to authorize the persons/officers/ Directors or any other person in relation to representation before the government authorities, courts, quasi judicial bodies, banks and any other authorities as may be required;

i) Overview and take actions on the works of urgent matters;

j) Delegate any of its power, if required, to one or more members;

k) Any other matter to execute the foregoing.

l) The Finance Committee shall not take any policy related decisions of the Company.

IV. CEO/CFO Certification

The Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) and Part B of Schedule II of the Listing Regulations for the financial year ended March 31, 2020. The MD & CFO also gave quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

V. General Body Meetings

a) Annual General Meetings

Financial Year	Date	Time	Venue
2016-2017	August 08, 2017	04:30 P.M.	MPCU Shah Auditorium, Civil Lines
2017-2018	August 08, 2018	12:30 P.M	MPCU Shah Auditorium, Civil Lines
2018-2019	August 02, 2019	10:30 A.M	Sri Sathya Sai International Centre

b) Special Resolution(s)

i. Four Special Resolution were passed by the shareholders at the 22nd Annual General Meeting held on August 02, 2019 of the company. 1). Re-appointment Shri S. Jayaraman (DIN: 02634470) as Independent Director of the Company for a period of 5 years w.e.f. February 09, 2019. 2). Re-appointment of Shri Vinod Kumar Mittal (DIN: 07421742) as an Independent Director of the Company for a period of 5 years w.e.f. February 09, 2019. 3). Re-appointment of Shri Virjesh Kumar Gupta (DIN: 06382540) as an Independent Director of the Company for a period of 5 years w.e.f. May 31, 2019. 4).Re-appointment of Shri Navin Shah (DIN: 02701860) as an Independent Director of the Company for a period of 5 years w.e.f. May 31, 2019.

ii. Two Special Resolution were passed by the shareholders at the 21st Annual General Meeting held on August 08, 2018 of the company. 1). Re-appointed Shri Hari Chand Aggarwal as a Chairman and whole-time director for a period of 5 years w.e.f. October 01, 2017. 2) Approved the revision in remuneration of Shri Rajesh Aggarwal, Managing Director of the Company.

iii. One Special Resolution were passed by the shareholders at the 20th Annual General Meeting held on August 08, 2017 of the company i.e. Re-appointment of Shri Rajesh Aggarwal as Managing Director of the Company for the term of 3 years from November 15, 2016 to November 14, 2019.

c) No Extra-Ordinary General Meeting held during Financial Year 2019-2020

d) Special Resolution passed through Postal Ballot

During the year under review, no special resolution has been passed through the exercise of postal ballot. Further, no special resolution is proposed to be conducted through postal ballot as on date.

VI. Other Disclosures

a) 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.

b) 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.

c) 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 http://www.insecticidesindia.com/CompanyPolicy.html 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, 2020. The Annual Report of the Company contains declaration duly signed by the Managing Director.

d) 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.

e) Disclosures

i. 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. 38 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. for financial year 2019-20, under the category of Omnibus transaction pursuant to Regulation 23 of LODR, 2015. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given. 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 and policy is available at
http://www.insecticidesindia.com/CompanyPolicy.html

ii. **Disclosure of Accounting Treatment**

In preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

iii. **The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.**

The Company has duly complied with the requirements of the Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

iv. **The company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.**

The Company has complied with all the provisions of regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 except 1) Delay in filing half yearly disclosures regarding related party transaction to stock exchange; 2) Delay in submission of disclosure to stock exchanges regarding acquisition of shares by the promoter to stock exchange as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The explanation for the delay of occurrence is given in Board Report

v. **Commodity Price Risks and Commodity Hedging Activities**

In order to manage the Company's Foreign Exchange exposure, the Company has a dynamic Forex risk management policy to take care of exchange rate fluctuations. Commodity buys are directly leveraged between domestic and overseas suppliers based on their price and parity, close monitoring through various commodity stock exchange linked with different raw materials. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

Foreign Exchange Risk and Commodity Price Risk alongwith Foreign Currency exposure is given under Note No. 33 of Other Notes on Accounts of the Annual Report.

vi. **The Company has policy for determining Material Subsidiaries and the same is available on the Company's website under Company Policy Section www.insecticidesindia.com**

At present the Company does not have any subsidiary.

vii. **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.

viii. **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 the access to the Audit Committee. The said policy is available on the website of the Company on the following link
http://www.insecticidesindia.com/CompanyPolicy.html

ix. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year ended on March 31, 2020, the Company has received **Nil** Complaints on sexual harassment. Also no complaints have been resolved or are pending in respect of sexual harassment before the Company.

x. **Credit Rating**

The Company enjoys a good reputation for its sound financial management and ability to meet in financial commitments.

CRISIL, a S&P Global Company, a reputed Rating Agency, has re-affirmed the credit rating of CRISIL A/Stable for the long-term and CRISIL A1 for the Short-term Bank facilities.

xi. **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.

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

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

xiii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company has not raised funds through preferential allotment or Qualified Institutional Placement during the year, hence, detail of this clause is not applicable.

xiv. The Company has accepted all the recommendations of the committees given time to time in their respective course of business.

xv. Fees to the Statutory Auditors of the Company:

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company is mentioned at Note No. 28 (a) of Notes to standalone financial statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

xvi. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

– Not applicable

xvii. 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. The Company has generally complied with the requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements), 2015 except *half yearly disclosures regarding related party transaction to stock exchanges for the period ended 30/09/2019 under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendments thereto.*

Company's Remark: The above said delay in filing half yearly disclosures regarding the related party transaction to the Stock exchange occurred due to inadvertent clerical mistake while filing.

VII. Means of Communication

The quarterly, half-yearly and annual results of the Company are published in leading newspaper in India which includes 'Business Standard (English) and 'Business Standard (Hindi). The Results are also displayed on Companies website "http://www.insecticidesindia.com/FinancialResult.htm". Press Releases made by the Company from time to time are also displayed on the Company's website (http://www.insecticidesindia.com/). Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website. The Company's official news and other important investor related information are periodically displayed and updated on the company's website. 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. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

VIII. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Date : September 04, 2020

Time : 03:00 P.M IST

Venue : The meeting will be held through VC / OAVM

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 Friday, September 04, 2020.

ii. Financial Calendar

Year ending : March 31, 2020

AGM in : September 04, 2020

Dividend : The Interim divided already paid.

Date of Payment of Dividend : 25/03/2020

iii. Financial Calendar (Tentative) for FY ended 2021

Result for Q2 : On and before November 14, 2020

Result for Q3 : On and before February 14, 2021

Result for Q4 : On and before 30 May, 2021

iv. Date of Book Closure/ Record Date:
28/08/2020 to 04/09/20 (Both days Inclusive)

v. Listing on Stock Exchanges :
BSE Limited

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

The National Stock Exchange of India Ltd. (NSE)
"Exchange Plaza" BandraKurla Complex,
Bandra (E), Mumbai – 400 051

Annual listing fee for the financial year 2019-20, 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 / Symbol :

NSE - INSECTICID; BSE - 532851

vii. ISIN No. : INE070I01018

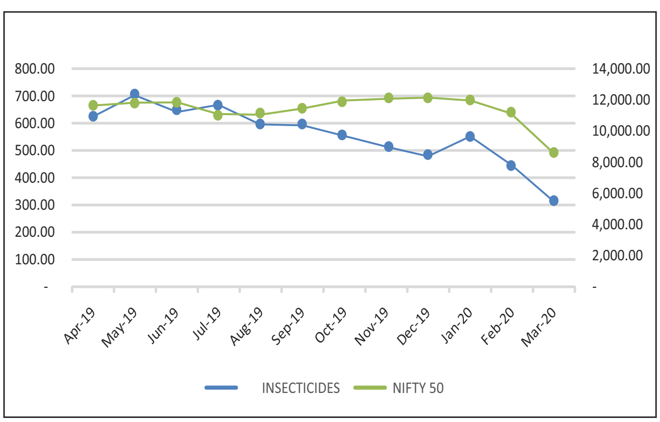
viii. Corporate Identification Number (CIN) of the Company : L65991DL1996PLC083909

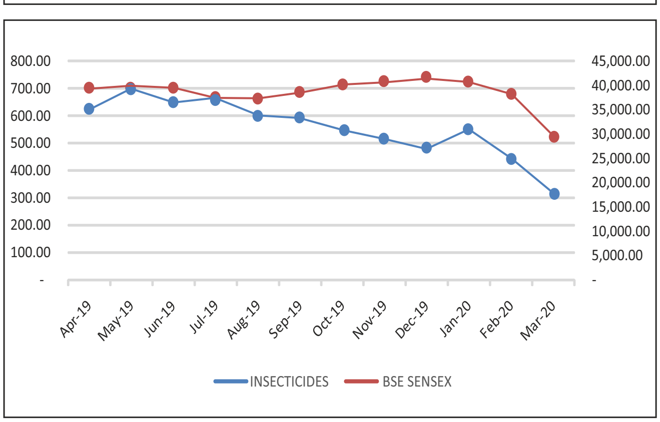
ix. **Market Price data:**

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 01st April, 2019 to 31st March, 2020 are given below:

Month	BSE			NSE		
	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.)
Apr-2019	687.55	619.05	15,491	688.00	622.00	1,41,000
May-2019	740.00	604.85	58,287	739.95	603.30	5,20,000
Jun-2019	707.70	595.90	20,835	709.00	594.70	1,63,000
Jul-2019	691.10	634.25	21,945	689.90	635.30	3,07,000
Aug-2019	667.00	551.20	41,887	668.00	551.00	2,53,000
Sep-2019	628.95	573.40	42,284	629.40	575.20	1,20,000
Oct-2019	611.55	533.25	25,843	608.50	536.20	1,09,000
Nov-2019	570.00	515.70	17,151	572.00	515.60	2,12,000
Dec-2019	524.65	392.15	38,069	525.65	388.90	3,41,000
Jan-2020	588.80	460.30	58,919	589.00	460.25	7,62,000
Feb-2020	574.40	442.55	49,186	574.65	443.00	5,26,000
Mar-2020	465.80	207.00	86,771	468.00	206.40	4,33,000

x. **Share Performance of the Company in comparison to NIFTY 50 & BSE Sensex**





-Source: www.bseindia.com
www.nseindia.com

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

xii. **Share Transfer System**

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

xiii. **Distribution of Shareholding as on March 31, 2020**

a) Distribution of equity shareholding as on March 31, 2020:

Number of Shares	Number of Share-holders	% of total Share-holders	No. of Shares	% of total Shares
1 - 500	12,078	94.46	8,29,861	4.02
501 - 1000	355	2.78	2,69,970	1.31
1001 - 2000	171	1.34	2,45,357	1.19
2001 - 3000	55	0.43	1,39,014	0.67
3001 - 4000	34	0.27	1,19,464	0.58
4001 - 5000	20	0.16	91,414	0.44
5001 - 10000	22	0.17	1,60,325	0.78
10001 - 20000	16	0.13	2,37,662	1.15
20001 - Above	35	0.27	1,85,74,729	89.87
Total	**12,786**	**100**	**2,06,67,796**	**100.00**

b) Categories of equity shareholders as on March 31, 2020

Category	No. of shares held	% of Share-holding
Promoter and Promoter Group (A)	**1,42,38,066**	**68.89**
Public Shareholding		
Mutual Funds	20,78,315	10.06
Alternate Investment Funds	2,62,662	1.27
Banks / Financial Institutions	8,23,529	3.98
Foreign Portfolio Investor (Corporate)	9,17,336	4.44
Individuals	17,72,524	8.58
NBFCs registered with RBI Any Other	3,750	0.02
- Body Corporate	2,99,753	1.45
- Trust	2,778	0.01
- NRI	81,153	0.39
- Resident HUF	1,40,412	0.68
- Clearing Member	47,518	0.23
Total Public Shareholding (B)	**64,29,730**	**31.11**
Total Shareholding (A+B)	**2,06,67,796**	**100.00**

xiv. Dematerialization of Shares and Liquidity

The shares of the Company fall under the category of compulsory delivery in dematerialized form by all categories of investors. The Company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depository Services Limited.

As on March 31, 2020, the number of shares held in dematerialized and physical mode is as under:

Category	No. of shares held	% of Share-holding
Held in Dematerialized form in CDSL	1046827	5.07
Held in Dematerialized form in NSDL	19620860	94.93
Physical	109	0.00
Total	**20667796**	**100.00**

xv. Reconciliation of Share Capital Audit

M/s M.D.& Associates, 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 having 6 (Six) manufacturing units / 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. E-439-440, RIICO Industrial Area,
   Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
4. SIDCO Industrial Growth Centre,
   Samba – 184 121 (J&K)
5. II D Centre, BattalBallian, Udhampur – 182 101 (J&K)
6. CH-21, GIDC Industrial Estate, Dahej,
   Dist. Bharuch – 392 130 (Gujarat)

xviii. Address for Correspondence

Investors and Shareholders can correspond with the Registered & Corporate Office of the Company at the following address:

To Company Secretary & Compliance Officer

Insecticides (India) Limited
401-402, Lusa Tower,
Azadpur Commercial Complex, Delhi – 110 033
Tel No. (011) 2767 1990 – 04
Fax No. (011) 2767 1990 – 04
Email – investor@insecticidesindia.com

XI. Discretionary Requirements as specified in Part E of Schedule II under SEBI Listing Regulations

a) The Chairman of the Board is Executive Director.

b) As te Company's half yearly results are published in English newspapers circulated all over India and in a Hindi newspaper circulated in Delhi (Both English and Hindi results are published, Generally in Business Standard) and also posted on the website of the Company www.insecticidesindia.com and disseminated to stock exchanges, the same are not sent to the households of the shareholders of the Company.

c) The Company is in the regime of unmodified opinions on financial statements.

d) The Internal Auditor of the Company functionally report directly to the Audit Committee.

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

Sd/-	Sd/-
(Rajesh Aggarwal)	**(Hari Chand Aggarwal)**
Managing Director	Chairman & WTD
DIN-00576872	DIN-00577015

Place: Delhi
Dated: June 25, 2020

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I, Rajesh Aggarwal, Managing Director of Insecticides (India) Limited hereby declares that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2020 compliance with the Code of Conduct of the Company laid down for them.

Sd/-
Rajesh Aggarwal
Managing Director
DIN: 00576872

Place: Delhi
Date: June25, 2020

CERTIFICATE UNDER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Insecticide (India) Limited having CIN L65991DL1996PLC083909 and having registered office at 401-402, Lusa Tower, Azadpur Commercial Complex Delhi110033,India (hereinafter referred to as 'the Company'), produced before me/usby the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015. In my opinion and to the best of my/ourinformation and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in)as considered necessary and explanations furnished to by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Akash Gupta (Prop.)
M.NO. 30099
CP No. 11038
UDIN: A030099B000379131

Place: Delhi
Dated: June 25, 2020

MD / CFO Certificate

The Board of Directors
Insecticides (India) Limited, Delhi
Dear Members of the Board,

We, Rajesh Aggarwal, Managing Director and Sandeep Aggarwal, Chief Financial Officer of Insecticides (India) Limited to the best of our knowledge and belief, certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement of Insecticides (India) Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit committee:
   a) significant changes, if any, in internal control over financial reporting during the year;
   b) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) that there are no instance of significant fraud of which we have become aware.

Place: Delhi
Dated: June 25, 2020

Sd/-
Rajesh Aggarwal
Managing Director

Sd/-
Sandeep Aggarwal
Chief Financial Officer

Secretarial Compliance Report for the Year Ended March 31, 2020

I have examined:

a) All the documents and records made available to us and explanation provided by Insecticides (India) Limited ("the listed entity"),

b) The filings/ submissions made by the listed entity to the stock exchanges,

c) Website of the listed entity,

d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the Year ended March 31, 2020("Review Period") in respect of compliance with the provisions of:

a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 : The Listed entity has not issued any capital during the financial year 2019-20, hence the mentioned regulation is not applicable to the Listed entity;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India(Buyback of Securities) Regulations, 2018: as the Listed entity has not bought back any securities during the financial year ended on March 31, 2020, hence the said regulations are not applicable to Listed entity;

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: The Listed entity has not come with any ESOP or ESPS or share based employee benefits during the financial year ended on March 31, 2020, hence the mentioned regulations are not applicable to the Listed entity;

f) Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008 : As the Listed entity had not issued or listed debt securities during the financial year ending March 31, 2020, thus the said regulations are not applicable to Listed entity;

g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013: As the Listed entity had not issued or listed Non-Convertible and Redeemable Preference Shares during the financial year ending March 31, 2020, thus the said regulations are not applicable to Listed entity;

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) Securities and Exchange Board of India(Depositories and Participant) Regulations, 2018;and circulars/ guidelines issued thereunder;

and based on the above examination I hereby report that, during the Review Period:

(a) The Listed entity has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. as applicable and mentioned above except; (a) a half yearly disclosures regarding related party transaction to stock exchanges under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendments thereto, and (b) a delay in submission of disclosure to stock exchanges regarding acquisition of shares by the promoter to stock exchange as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The management of the Listed entityrepresentedbefore us that the delay in submission of disclosure pertaining to acquisition of shares by the Promoter as stated abovewas occurred due to restrictions imposed during COVID-19 Pandemic.

(b) Thelisted entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunderinsofaras it appears from my/our examination of those records.

(c) There were no actions taken against the listed entity/ its promoters/ directors/ material subsidiarieseither by SEBI or by Stock Exchanges (includingunder the Standard Operating Proceduresissued by SEBIthrough various circulars)under the aforesaid Acts/ Regulations and circulars/ guidelines issuedthereunder in so far as it appears from my examination of those records

(d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the review period.

For **Akash Gupta & Associates**
Company Secretaries
Sd/-
Akash Gupta
Prop.
M. No. 30099
CP No. 11038
UDIN:A030099B000379327

Place: New Delhi
Date: 25th June,2020

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1) The Corporate Governance Report prepared by Insecticides (India) Limited ("the Company"), contains details as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31,2020. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management's Responsibility for compliance with the conditions of Listing Regulations

2) The compliance with the terms and conditions of corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3) Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4) Pursuant to the requirements of the Listing Regulations, it is our responsibility is to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance, as stipulated in Listing Regulations for the year ended March 31, 2020.

5) We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purpose issued by the Institute of Chartered Accountants of India ('ICAI'), The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7) In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above-mentioned Listing Regulations except half yearly disclosures regarding related party transaction to stock exchanges for the period ended 30/09/2019 under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendments thereto.

8) We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

9) This certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come, without our prior consent in writing.

For **Devesh Parekh &Co.**
Firm Regn. No.013338N
Chartered Accountants

Sd/-
Devesh Parekh
Partner
M.No.-092160

Place: Delhi
Date: 25.06.2020

Secretarial Audit Report

For the Financial Year Ended 31st March 2020
(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 110 033

I have conducted the secretarial audit of the financial year ending on March 31st 2020 for the compliance of applicable statutory provisions and the adherence to good corporate practices by Insecticides (India) Limited (hereinafter called as 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ending on March 31st 2020, 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 Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as the case may be. -No foreign direct investment had been received by the Company during the financial year 2019-20;

b) Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 : The Company had not invested any funds outside India in Joint Venture or subsidiary during the financial year 2019-20;

c) Foreign Exchange Management (Borrowing or Lending) Regulations, 2018: The Company had not received any external commercial borrowings from outside India during the financial year 2019-20;

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, 2018;-The Company has not issued any capital during the financial year 2019-20, hence the mentioned regulation is not applicable to the Company;

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, 2020, hence the mentioned regulations are not applicable to the Company;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; as the Company had not issued or listed debt securities during the financial year ending March 31, 2020, thus the said regulations are not applicable to the 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; as during the financial year ended March 31, 2020; the Company has not delisted 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, 2018; as the Company has not bought back any securities during the financial year ended on March 31, 2020, hence the said regulations are not applicable to the Company.

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 as 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.

I hereby state that, during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. as applicable and mentioned above except (a) a half yearly disclosures regarding related party transaction to stock exchanges under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 read with amendments thereto, and (b) a delay in submission of disclosure to stock exchanges regarding acquisition of shares by the promoter to stock exchange as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.The management of the Company represented before us that the delay in submission of disclosure pertaining to acquisition of shares by the promoter as stated above was occurred due to restrictions imposed during COVID-19 Pandemic.

Further, as informed to us by the 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 read with the Insecticide (Amendment) Rules, 2015

b) The Insecticides (Price, Stock, Display and Submission of Reports) Orders, 1968

c) The Fertilizers (Control) Order 1985.

The management of the 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 our random test checks, I also state that Company has generally complied with applicable provisions of industry specific laws as mentioned above during the financial year 2019-20

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.

Further, I also relied upon the reports given by auditors/ consultants of the compliance certificates provided by the internal management of the Company for compliances of various applicable laws on the Company.

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, there were no specific event/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc having a major bearing on the Company's affairs.

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

Date: 25.06.2020
Place: Delhi

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

Annexure A

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

Our report for the financial year ending 31.03.2020 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. Wherever 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.

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

Date: 25.06.2020
Place: Delhi

Independent Auditor's Report

To the Members of Insecticides (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Insecticides (India)Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Emphasis of Matter

We draw attention to note no. 50 of the Standalone financial statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Due to Covid-19 related lock-down restrictions imposed by the Government, physical verification of inventory at various locations was carried out by the management of the Company near to year-end. Our attendance at the physical Inventory verification done by the management was impracticable under such lock-down restrictions imposed by the government. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recognition of Revenue The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer. For the year ended March 31, 2020, the Company's Statement of Profit & Loss included Sales of Rs. 1,35,016.06 Lakhs. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period. Refer to Accounting policies Note 2.2 (b) and Note No. 21 of the standalone Financial Statements.	**Principal Audit Procedures** ▪ We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the Financial statements. ▪ Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. ▪ We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. ▪ We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. ▪ We validated the appropriateness and completeness of the related disclosures in Note No. 21 of the Standalone Financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, 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 it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. - Refer Note 39 to the standalone financial statements.

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 by the Company.

For **S S Kothari Mehta & Co.**	For **Devesh Parekh & Co.**
Chartered Accountants	Chartered Accountants
Firm's registration number: 000756N	Firm's registration number: 013338N
Sd/-	**Sd/-**
Harish Gupta	**Devesh Parekh**
Partner	Partner
Membership number: 098336	Membership number: 092160
UDIN : 20098336AAAABC5226	UDIN: 20092160AAAAGD4584
Place: New Delhi	Place: New Delhi
Date : June 25, 2020	Date : June 25, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Insecticides (India) Limited of even date)

I. In respect of the Company's property, plant & equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

(b) The property, plant & equipment have been physically verified by the management according to the programme of periodical verification in phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant & equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. We have been explained by the management that the inventory (except material in transit, which material received) has been physically verified at reasonable interval and the procedure of physical verification of the inventory followed by the management are reasonable in relation to the size of the company and nature of its business. However, due to Covid-19 related lock-down restrictions imposed by the government, our attendance at the physical Inventory verification done by the management near to year end, was impracticable considering such lock-down restrictions. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence. As far as we could ascertain and accordingly to the information and explanations given to us, no material discrepancies were noticed between the physical stock and book records.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph iii (a) to (c) of the Order are not applicable to the Company.

iv. According to the information, explanations and representations given to us and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by Central Government for the maintenance of the cost records under section 148(1) of the Act in respect to the Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further there were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2020.

(b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise, duty of custom and value added tax that have not been deposited on account of any dispute except as given below:

S. No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where dispute is pending	Gross Liability (A)	Amount Deposited under protest (B)	Net Amount* (Rs. In Lacs) (A-B)
1	Gujarat Stamp Act, 1958	Stamp Duty	2013-14	Commissioner of Revenue Department, Tehsil Vagra, District Bharuch	89.60	19.60	70.00
2	Gujarat Value Added Tax Act, 2003	VAT & CST	2011-12 & 2012-13	Joint Commissioner of commercial Tax, Baroda	268.27	85.28	182.99
3	Andhra Pradesh VAT Act, 2005	VAT	2014-15	APVAT Appellate Tribunal, Visakhapatnam.	122.08	61.04	61.04
4	MP VAT Act, 2002	CST	2012-13	Assistant Commissioner, VAT, Indore	1.52	0.15	1.37
5	Central Excise Act, 1944	Excise Duty	2015-16, 2016-17 & 2017-18	Central Excise Audit Commissionerate, Jaipur	294.37	11.04	283.33
6	West Bengal VAT Act, 2004	VAT	2010-2011	Appellate Authority, VAT, West Bengal	5.70	7.29	-
7	Central Excise Act, 1944	Excise Duty	2012-13 & 2013-14	Central Excise Audit Commissionerate, Jammu	135.14	5.07	130.07

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any bank.

The Company has not taken any loans or borrowings from the government and financial institution. Further, the Company had not issued any debentures.

ix. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were raised.

x. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related parties transactions have been disclosed in the standalone financial statements as required by the applicable Accounting standards.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully / partly convertible debentures during the year in terms of provisions of Sections 42 of the Act.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as the provisions of the section is not applicable to the Company.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's registration number: 000756N

Sd/-
Harish Gupta
Partner
Membership number: 098336
UDIN :20098336AAAABC5226

Place: New Delhi
Date : June 25, 2020

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Sd/-
Devesh Parekh
Partner
Membership number: 092160
UDIN: 20092160AAAAGD4584

Place: New Delhi
Date : June 25, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Insecticides (India) Limited of even date)

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

We have audited the internal financial controls with reference to financial statements of INSECTICIDES (INDIA) LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S Kothari Mehta & Co.**
Chartered Accountants
Firm's registration number: 000756N

Sd/-
Harish Gupta
Partner
Membership number: 098336
UDIN : 20098336AAAABC5226
Place: New Delhi
Date : June 25, 2020

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Sd/-
Devesh Parekh
Partner
Membership number: 092160
UDIN: 20092160AAAAGD4584
Place: New Delhi
Date : June 25, 2020

Balance Sheet as at March 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

			Note	As at March 31, 2020	As at March 31, 2019
ASSETS					
1	**Non-current assets**				
	(a)	Property, plant and equipment	3	20,893.13	23,715.03
	(b)	Capital work-in-progress	3	3,288.41	1,271.42
	(c)	Right-of-use asset	4	2,514.73	-
	(d)	Intangible assets	5	501.91	304.95
	(e)	Intangible assets under development	5	607.49	628.71
	(f)	Investment in joint venture	6	795.00	795.00
	(g)	Financial assets	7		
		(i) Investments	7(a)	244.97	388.01
		(ii) Other financial assets	7(b)	160.82	156.84
	(h)	Non-current tax assets (net)	8	1,396.89	454.90
	(i)	Other non-current assets	9	1,056.11	1,531.34
	Total non-current assets			**31,459.46**	**29,246.20**
	Current assets				
	(a)	Inventories	10	51,926.48	70,510.65
	(b)	Financial Assets	11		
		(i) Trade receivables	11(a)	31,978.73	24,424.89
		(ii) Cash and cash equivalents	11(b)	6,773.13	894.17
		(iii) Bank balances other than (ii) above	11(c)	642.97	29.83
		(iv) Loans	11(d)	272.82	1,216.61
		(v) Other financial assets	11(e)	604.24	458.60
	(c)	Other current assets	12	5,634.79	8,708.08
	Total current assets			**97,833.16**	**1,06,242.83**
	Total assets			**1,29,292.62**	**1,35,489.03**
EQUITY AND LIABILITIES					
	Equity				
	a)	Equity Share capital	13	2,066.78	2,066.78
	b)	Other Equity	14	70,956.60	64,067.97
	Total equity			**73,023.38**	**66,134.75**
	LIABILITIES				
1	**Non-current liabilities**				
	(a)	Financial Liabilities	15		
		(i) Borrowings	15(a)	190.53	131.60
		(ii) Lease liabilities	15(b)	176.31	-
	(b)	Provisions	16	103.88	74.93
	(c)	Deferred tax liabilities (net)	17	1,867.78	1,786.87
	Total non-current liabilities			**2,338.50**	**1,993.40**
	Current liabilities				
	(a)	Financial Liabilities	18		
		(i) Borrowings	18(a)	18,348.22	29,517.24
		(ii) Lease liabilities	15(b)	192.72	-
		(iii) Trade Payables	18(b)		
		(A) total outstanding due of micro enterprises and small enterprises; and		1,178.57	566.74
		(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		23,477.21	27,419.86
		(iv) Other financial liabilities	18(c)	2,911.16	3,014.24
	(b)	Other current liabilities	19	7,564.75	6,708.64
	(c)	Provisions	20	258.11	134.16
	Total current liabilities			**53,930.74**	**67,360.88**
	Total equity and liabilities			**1,29,292.62**	**1,35,489.03**
The accompanying notes are an integral part of the financial statements.					
Summary of Significant Accounting Policies			1 to 2		
Notes to Financial Statements			3 to 51		

Auditor's Report

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For DEVESH PAREKH & CO.
Chartered Accountants

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH AGGARWAL
Managing Director
DIN: 00576872

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : June 25, 2020

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Balance Sheet as at March 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	21	1,36,321.96	1,19,350.94
Other Income	22	256.55	74.37
Total Income		**1,36,578.51**	**1,19,425.31**
Expenses			
Cost of raw material and components consumed	23	79,083.88	1,02,916.79
Purchase of Traded Goods		4,600.90	6,041.45
Changes in inventories of finished goods, work-in-progress and traded goods	24	17,249.15	(26,695.44)
Employee benefits expense	25	7,474.23	6,518.53
Finance Costs	26	2,388.98	1,522.20
Depreciation and amortization expense	27	2,407.20	1,968.10
Other expenses	28	12,328.06	11,853.04
Total expenses		**1,25,532.40**	**1,04,124.67**
Profit before tax		**11,046.11**	**15,300.64**
Tax Expenses	30		
- Current Tax		2,538.94	2,843.12
- Deferred Tax		(96.89)	216.85
Total Tax Expenses		**2,442.05**	**3,059.97**
Profit for the period		**8,604.06**	**12,240.67**
Other comprehensive income	31		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		(143.03)	(443.08)
Remeasurement of net defined benefit plans		(170.23)	(41.11)
Income tax relating to these items		92.80	117.59
Other comprehensive income for the period (net of tax)		**(220.46)**	**(366.60)**
Total comprehensive income for the period (net of tax)		**8,383.60**	**11,874.07**
Earnings per equity share	42		
Basic earnings per share (INR)		41.63	59.23
Diluted earnings per share (INR)		41.63	59.23

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

Summary of Significant Accounting Policies	1 to 2
Notes to Financial Statements	3 to 51

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For DEVESH PAREKH & CO.
Chartered Accountants

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH AGGARWAL
Managing Director
DIN: 00576872

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : June 25, 2020

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Statement of changes in Equity for year ended March 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

(A) Equity share capital (Refer note 13)

Particulars	Amount
As at April 1, 2018	2,066.78
Changes in equity share capital	-
As at March 31, 2019	2,066.78
Changes in equity share capital	-
As at March 31, 2020	2,066.78

(B) Other equity (Refer note 14)

Particulars	Reserves and surplus			Other reserves	Total Other Equity
	Securities premium	General reserve	Retained earnings	FVTOCI reserve - equity instruments	
Balance at April 1, 2018	**10,410.18**	**3,201.52**	**38,683.57**	**396.97**	**52,692.24**
Profit for the year			12,240.67	-	12,240.67
Other comprehensive income (Net of taxes)			(26.74)	(339.86)	(366.60)
Total comprehensive income for the period			**12,213.93**	**(339.86)**	**11,874.07**
Final dividend paid during the year			(413.35)		(413.35)
Tax on Final dividend paid			(84.99)		(84.99)
Balance at March 31, 2019	**10,410.18**	**3,201.52**	**50,399.16**	**57.11**	**64,067.97**
Profit for the year			8,604.06	-	8,604.06
Other comprehensive income (Net of taxes)			(110.74)	(109.72)	(220.46)
Total comprehensive income for the period			**8,493.32**	**(109.72)**	**8,383.60**
Final dividend paid during the year			(413.35)		(413.35)
Tax on Final dividend paid			(84.99)		(84.99)
Interim dividend paid during the year			(826.70)		(826.70)
Tax on Interim dividend paid			(169.93)		(169.93)
Balance at March 31, 2020	**10,410.18**	**3,201.52**	**57,397.51**	**(52.61)**	**70,956.60**

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

Summary of Significant Accounting Policies 1 to 2

Notes to Financial Statements 3 to 51

Auditor's Report

As per our separate report of even date annexed herewith

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N
Place : Delhi
Date : June 25, 2020

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Statement of Cash Flow for year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
(A) Cash Flow From Operating Activities		
Net profit before tax	**11,046.11**	**15,300.64**
Adjustment on account of		
- Depreciation	2,407.20	1,968.10
- (Profit)/ Loss on Sale of Assets	37.22	49.55
- Miscellaneous Expenses	6.34	6.34
- Miscellaneous Income	(5.59)	-
- Interest Income	(142.30)	(41.07)
- Dividend Income	(10.16)	(9.10)
- Interest Expenses	2,388.98	1,522.20
- Bad debts written off	6.34	23.08
- Provision for impairment of trade receivables	225.64	123.08
- Derivative (gain) / loss	(64.40)	129.08
- Unrealised exchange differences	(8.40)	(5.52)
Operating Profit Before Working Capital Changes	**15,886.98**	**19,066.38**
Adjustments for		
- (Increase)/Decrease in security deposits	(1.85)	33.48
- (Increase)/Decrease in inventories	18,584.16	(29,781.70)
- (Increase)/Decrease in trade receivables	(7,785.82)	(1,089.85)
- (Increase)/Decrease in loans	8.79	(10.65)
- (Increase)/Decrease in other financial assets	(92.61)	(112.19)
- (Increase)/Decrease in other current assets	2,923.41	(3,099.49)
- (Increase)/Decrease in provisions	(17.32)	82.21
- Increase/(Decrease) in trade payables	(3,330.82)	3,650.95
- Increase/(Decrease) in other financial liabilities	364.55	404.80
- Increase/(Decrease) in other current liabilities	856.11	721.87
Cash generated from operations	**27,395.58**	**(10,134.19)**
Less: Income tax paid	(3,210.32)	(3,179.27)
Net Cash Flow from Operating Activities (A)	**24,185.26**	**(13,313.46)**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets	(2,902.23)	(3,790.50)
- Proceeds from sale of property plant and equipment	59.09	46.08
- Interest received	104.82	41.07
- Proceeds from / (investment in) bank deposits	(614.75)	23.64
- Inter Corporate Loans (Given) / Received back	935.00	(1,227.58)
- Dividends received	9.27	8.20
Net Cash Flow used in Investing Activities (B)	**(2,408.80)**	**(4,899.09)**
(C) Cash Flow From Financing Activities		
- Repayment of long term borrowings	(608.95)	(742.59)
- Proceeds/(Repayment) from/of short term borrowings	(11,160.62)	19,832.58
- Repayment of lease liabilities	(161.18)	-
- Interest paid	(2,471.77)	(1,441.25)
- Dividend paid (including dividend distribution tax)	(1,494.98)	(498.34)
Net Cash Flow (used in) / from Financing Activities (C)	**(15,897.50)**	**17,150.40**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**5,878.96**	**(1,062.15)**
Cash and Cash Equivalents at the beginning of the year	894.17	1,956.32
Cash and Cash Equivalents at the end of the year	**6,773.13**	**894.17**

Statement of Cash Flow for year ended March 31, 2020

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
On current accounts	4,243.04	885.34
Cash on hand	9.03	8.83
Deposits with original maturity upto three months	2,521.06	-
Total cash and cash equivalents	**6,773.13**	**894.17**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2019	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2020
Long term borrowings (including current maturities)	1,003.20	(608.95)	-	-	**394.25**
Lease liabilities (including current maturities)	680.15	(161.18)	-	(149.94)	**369.03**
Short term borrowings	29,517.24	(11,160.62)	(8.40)	-	**18,348.22**
	31,200.59	**(11,930.75)**	**(8.40)**	**(149.94)**	**19,111.50**
Particulars	**As at April 1, 2018**	**Cash flows**	**Unrealised exchange difference**	**Other non cash changes**	**As at March 31, 2019**
Long term borrowings (including current maturities)	1,759.45	(742.59)	(13.66)	-	**1,003.20**
Short term borrowings	9,676.25	19,832.58	8.41	-	**29,517.24**
	11,435.70	**19,089.99**	**(5.25)**	**-**	**30,520.44**

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

Summary of Significant Accounting Policies 1 to 2

Notes to Financial Statements 3 to 51

Auditor's Report

As per our separate report of even date annexed herewith

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Place : Delhi
Date : June 25, 2020

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Notes to financial statements for the year ended March 31, 2020

1. **Corporate Information**

Insecticides (India) Limited ("The Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act. The shares of the Company are listed in India on the Bombay Stock Exchange Limited and National Stock Exchange. The registered office of the Company is located at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi, 110033. 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.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 25, 2020.

2. **Significant accounting policies**

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provision of the Act.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount

(a) Derivative financial instruments

(b) Plan assets of defined employee benefit plans

(c) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2. Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle.

b) It is held primarily for the purpose of trading.

c) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

(b) Revenue recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is stated exclusive of Goods and Service Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

Sales of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) financial instruments.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other income

Interest Income

For all financial instruments measured either at amortised cost or fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Property, plant and equipment

Items of property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on remaining items of property, plant & equipment has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Nature of Tangible Assets	Useful Life (years)
Plant &Equipments	10 – 15
Building	30
Laboratory Equipments	10
Office Equipments	5
Furniture, Fixtures & Equipments	10
Vehicles	8-10
Leasehold improvements	Over the period of lease or useful life whichever is lower

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

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

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Company's intangible assets is as follows:-

Intangible assets	Useful Life (years)	Amortisation method used
Computer Software	8	Amortised on straight-line basis
Websites	2	Amortised on straight-line basis
Patents, trademarks and designs	10	Amortised on straight-line basis

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Foreign currencies

Transactions and Balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the Statement of Profit and Loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets.

(g) Fair value measurement

The Company measures financial instruments, such as, derivatives and equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (note 34)
- Financial instruments (including those carried at amortised cost) (note 7, 11, 15 and 18)

(h) Leases

Ind AS 116 Leases issued by Ministry of Corporate Affairs is applied by the Company as of April 1, 2019. The Company decided to apply the modified retrospective approach, whereby previous year's standalone financial statements are not restated. (Refer note 49)

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has lease contracts for various items of land, office premises, warehouses and vehicles.

I) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of Right-of-use assets	Depreciation period
Office premises	3-5 years
Warehouses	3-5 years
Land	60-198 years

There are renewal terms that can extend the lease term for up to 2 years and are included in the lease term when it is reasonably certain that the Company will exercise the option. The right-of-use assets are also subject to impairment.

The Right-of-use assets are presented as separate line item in the balance sheet.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The lease liabilities are presented as separate line item in the balance sheet under financial liabilities.

iii) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office premises, warehouses and vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(I) 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. Fixed production overheads are based on normal capacity of production facilities.

Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value.

Traded goods are valued at lower of cost and net realizable value.

Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(k) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(l) Retirement and other employee benefits

Provident Fund and Employee State Insurance is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is unfunded.

Re-measurement, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Debt instruments at amortised cost

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security deposits & other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade and other receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

c) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

Not due	0-90 days	90-180 days	180-360 days	360-720 days	More than 720 days
0.11%	0.20%	0.50%	5.00%	50.00%	100.00%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credits and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information refer note 15 and 18

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as interest rate swaps, currency swaps, options and forward contracts to hedge its interest rate and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(q) Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

(t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. The Company has identified the Managing Director as the CODM who assesses the financial performance and makes strategic decisions. Refer note 37 for segment information presented.

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Notes to financial statements for the year ended March 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

3 Property, plant and equipment and capital work-in-progress Property, Plant and equipment

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2019	Addition	Sale / Adjustment / Reclassification*	Balance as at March 31, 2020	Balance as at April 01, 2019	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments/ Reclassification*	Balance as at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Finance lease assets - Land	2,116.12	-	2,116.12	-	13.72	-	13.72	-	-	2,102.40
Buildings	7,543.69	777.60	-	8,321.29	677.10	265.96	-	943.06	7,378.23	6,866.59
Plant and machinery	15,606.35	261.22	11.09	15,856.48	3,222.96	1,394.43	3.44	4,613.95	11,242.53	12,383.39
Roads	1,330.39	-	-	1,330.39	461.15	153.72	-	614.87	715.52	869.24
Office equipments	122.11	4.39	0.94	125.56	51.90	21.00	0.78	72.12	53.44	70.21
Furniture & fixtures	216.26	14.61	-	230.87	61.63	23.10	-	84.73	146.14	154.63
Electrical fittings	355.52	0.08	-	355.60	129.12	48.91	-	178.03	177.57	226.40
Computers	202.58	13.46	0.55	215.49	84.69	33.42	0.46	117.65	97.84	117.89
Vehicles	1,140.23	405.90	170.34	1,375.79	304.46	159.91	81.93	382.44	993.35	835.77
Total	**28,721.76**	**1,477.26**	**2,299.04**	**27,899.98**	**5,006.73**	**2,100.45**	**100.33**	**7,006.85**	**20,893.13**	**23,715.03**

*Reclassification represents net carrying amount of Finance lease assets as on April 1, 2019 reclassified to Right of Use Assets on transition to Ind AS 116 (Refer note 49)

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2018	Addition	Sale / Adjustment	Balance as at March 31, 2019	Balance as at April 01, 2018	Depreciation for the year		Balance as at March 31, 2019	As at March 31, 2019	As at March 31, 2018
						Depreciation	Disposal / adjustments			
Freehold land	84.54	3.97	-	88.51	-	-	-	-	88.51	84.54
Finance lease assets - Land	2,001.72	114.40	-	2,116.12	9.13	4.59	-	13.72	2,102.40	1,992.59
Buildings	7,333.11	210.58	-	7,543.69	420.16	256.94	-	677.10	6,866.59	6,912.95
Plant and machinery	13,563.86	2,052.87	10.38	15,606.35	1,986.49	1,238.88	2.41	3,222.96	12,383.39	11,577.37
Roads	1,330.39	-	-	1,330.39	307.43	153.72	-	461.15	869.24	1,022.96
Office equipments	87.42	34.69	-	122.11	34.15	17.75	-	51.90	70.21	53.27
Furniture & fixtures	185.34	30.92	-	216.26	41.98	19.65	-	61.63	154.63	143.36
Electrical fittings	296.75	58.77	-	355.52	85.39	43.73	-	129.12	226.40	211.36
Computers	112.41	90.35	0.18	202.58	63.04	21.72	0.07	84.69	117.89	49.37
Vehicles	1,009.65	276.88	146.30	1,140.23	219.77	143.44	58.75	304.46	835.77	789.88
Total	**26,005.19**	**2,873.43**	**156.86**	**28,721.76**	**3,167.54**	**1,900.42**	**61.23**	**5,006.73**	**23,715.03**	**22,837.65**

Capital Work In Progress

Cost	Amount
As at April 1, 2018	**1,268.32**
Additions	2,262.14
Capitalised during the year	(2,259.04)
As at March 31, 2019	**1,271.42**
As at April 1, 2019	**1,271.42**
Additions	2,018.01
Capitalised during the year	(1.02)
As at March 31, 2020	**3,288.41**

a) Contractual obligations - Refer to note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) Capital work-in-progress - Capital work in progress majorly comprises expenditure in the course of construction at Dahej Plant.

c) Assets charged against borrowings - Refer note 43 for property, plant and equipment pledged as security against current and non-current borrowings.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

4. Right-of-Use Assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance at April 1, 2019	Additions/ Modifications during the year	Disposal / Derecognition during the year	Balance at March 31, 2020	Balance at April 1, 2019	Depreciation expense	Disposal / Derecognized during the year	Balance at March 31, 2020	Balance at March 31, 2020	Balance at April 1, 2019
Land	2,102.40	105.57	-	2207.97	-	14.67	-	14.67	193.30	2102.40
Office remises	240.93	-	126.92	114.01	-	68.63	21.20	47.43	66.58	240.93
Warehouses	439.22	45.16	88.19	396.19	-	145.73	4.39	141.34	54.85	439.22
Total	**2782.55**	**150.73**	**215.11**	**2718.17**	**-**	**229.03**	**25.59**	**203.44**	**2514.73**	**2782.55**

5 Intangible assets and intangible assets under development

Intangible assets

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2019	Addition	Sale / Adjustment	Balance as at March 31, 2020	Balance as at April 01, 2019	Amortisation for the year		Balance as at March 31, 2020	As at March 31, 2020	As at March 31, 2019
						Amortisation	Disposal / adjustment			
Software	152.09	34.10	-	186.19	70.28	27.80	-	98.08	88.11	81.81
Website	1.65	-	-	1.65	0.42	0.83	-	1.25	0.40	1.23
Patents, trademarks and designs	328.38	240.58	-	568.96	106.47	49.09	-	155.56	413.40	221.91
Total	**482.12**	**274.68**	**-**	**756.80**	**177.17**	**77.72**	**-**	**254.89**	**501.91**	**304.95**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as on April 01, 2018	Addition	Sale / Adjustment	Balance as on March 31, 2019	Balance as on April 01, 2018	Amortisation for the year		Balance as on March 31, 2019	As on March 31, 2019	As on March 31, 2018
						Amortisation	Disposal / adjustment			
Software	133.46	18.63	-	152.09	44.67	25.61	-	70.28	81.81	88.79
Website	-	1.65	-	1.65	-	0.42	-	0.42	1.23	-
Patents, trademarks and designs	295.35	33.03	-	328.38	64.82	41.65	-	106.47	221.91	230.53
Total	**428.81**	**53.31**	**-**	**482.12**	**109.49**	**67.68**	**-**	**177.17**	**304.95**	**319.32**

Intangible assets under development

Cost	Amount
As at April 1, 2018	**413.91**
Additions	268.11
Capitalised during the year	(53.31)
As at March 31, 2019	**628.71**

As at April 1, 2019	**628.71**
Additions	253.36
Capitalised during the year	(274.58)
As at March 31, 2020	**607.49**

Notes to financial statements for the year ended March 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

6	**Investment in joint venture**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Investment in unquoted equity shares - Fully paid-up - At cost		
	795,000 {(March 31, 2019: 795,000) Equity Shares of OAT & IIL India Lab.(P) Ltd. at INR 100 Each	795.00	795.00
	Total	**795.00**	**795.00**
7	**Financial assets - non-current**		
7(a)	**Investments**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Investments stated at Fair Value through OCI		
	Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
	36,400 {(March 31, 2019: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company)	244.97	388.01
	Total	**244.97**	**388.01**
	Aggregate book value of quoted investments	244.97	388.01
	Aggregate market value of quoted investments	244.97	388.01
7(b)	**Other financial assets**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
	Deposits having maturity of more than twelve months	31.95	29.82
	Security deposits	128.87	127.02
	Total	**160.82**	**156.84**
8	**Non-current tax assets (net)**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Advance income tax	1,396.89	454.90
	[Net of provision for tax INR 2,258.65 (March 31, 2019: INR 3,288.29)]		
	Total	**1,396.89**	**454.90**
9	**Other non-current assets**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	(Unsecured, considered good unless otherwise stated)		
	Capital advances		
	-to related parties (refer note 38)	-	610.93
	-to others	682.22	690.06
	Advances other than Capital Advances		
	Balances with government authorities	346.42	230.35
	Prepaid expenses	27.47	-
	Total	**1,056.11**	**1,531.34**
10	**Inventories**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	At the lower of cost and net realisable value		
	Raw Material {INR 481.14 (March 31, 2019: INR 2,444.18) in transit}	17,033.79	18,501.32
	Packing material {INR 20.54 (March 31, 2019: INR 10,90) in transit}	1,521.91	1,376.58
	Work-in-progress	7,110.33	6,742.27
	Stock-in-trade (Traded Goods)	890.91	2,487.46
	Finished goods (Manufactured) {(INR 1,608.90 (March 31, 2019: INR 2,183.27) in transit}	25,216.93	41,237.59
	Stores, Scrap material, Spares Parts & Fuel {INR 0.73 (March 31, 2019: INR 35.84) in transit}	152.61	165.43
	Total	**51,926.48**	**70,510.65**

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

11 Financial assets - current

11(a) Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
- to related parties (refer note 38)	71.72	1,215.17
- to others	32,659.39	23,736.46
Less: Impairment of Trade Receivables	(752.38)	(526.74)
Total (refer note 46)	**31,978.73**	**24,424.89**
Breakup of Trade Receivables		
Unsecured, considered good	31,978.73	24,424.89
Credit Impaired	752.38	526.74
Subtotal	**32,731.11**	**24,951.63**
Impairment of Trade Receivables (refer note 35)	(752.38)	(526.74)
Total	**31,978.73**	**24,424.89**
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.	-	-
- Trade or Other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.	18.12	-

- Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.
- For explanations on the Company's credit risk management processes, refer note 35

11(b) Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
On current accounts	4,243.04	885.34
Cash on hand	9.03	8.83
Deposits with original maturity upto three months	2,521.06	-
Total	**6,773.13**	**894.17**

11(c) Other bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
In earmarked accounts		
Unpaid dividend	4.57	4.05
Deposits with remaining maturity between three and twelve months*	638.40	25.78
Total	**642.97**	**29.83**

*The fixed deposits made with banks had been given as margin money against Bank Guarantee/ Letter of credit.

11(d) Loans

Particulars	Interest rate	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good			
Loans to employees	-	7.82	16.61
Inter Corporate Loans (refer note 49)	12%	265.00	1,200.00
Total		**272.82**	**1,216.61**
Loans due from directors or other officers of the Company at the end of the period		Nil	Nil

11(e) Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Measured at fair value through profit and loss		
Derivative assets	18.76	4.10
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	8.61	7.71
Insurance claim recoverable	80.95	-
Interst accrued on inter corporate loans	65.05	27.58
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	126.02	97.33
Interest subsidy recoverable	285.25	302.28
Total	**604.24**	**458.60**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

12	**Other current assets**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	(Unsecured, considered good unless otherwise stated)		
	Advances to suppliers		
	-to related parties (refer note 38)	630.78	357.65
	-to others	756.13	522.55
	Advances to employees	20.31	17.14
	Balances with government authorities	4,093.62	7,683.19
	Prepaid expenses	133.95	127.55
	Total	**5,634.79**	**8,708.08**
	Advance due from Directors or other officers at the end of the year/ period	Nil	Nil
	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member	4.97	1.98

13	**Equity share capital**		
	Authorised share capital	**Number of shares**	**INR**
	As at April 1, 2019	2,50,00,000	2,500.00
	Increase/(decrease) during the year	-	-
	At March 31, 2020	**2,50,00,000**	**2,500.00**
	Issued equity share capital	**Number of shares**	**INR**
	Equity shares of INR 10 each issued, subscribed and fully paid.		
	As at April 1, 2019	2,06,67,796	2,066.78
	Increase/(decrease) during the year	-	-
	At March 31, 2020	**2,06,67,796**	**2,066.78**

(a) Rights, preferences and restrictions attached to shares :

The company has only one class of equity shares having face value of INR 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 INR 4/- per share as Interim Dividend and paid the same on March 25, 2020.

(b) The details of Shareholders holding more than 5% shares:	**As at March 31, 2020**		**As at March 31, 2019**	
Name of the Shareholder	**Number of Shares**	**% Held**	**Number of Shares**	**% Held**
Rajesh Aggarwal	53,21,916	25.75	52,92,900	25.61
Pushpa Aggarwal	21,51,900	10.41	21,51,900	10.41
Rajesh Aggarwal (HUF)	19,53,000	9.45	19,53,000	9.45
Hari Chand Aggarwal (HUF)	14,94,000	7.23	14,94,000	7.23
Nikunj Aggarwal	11,25,000	5.44	11,25,000	5.44

(c) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date. The company has alloted 63,41,483 number of Equity Shares as Bonus Shares on April 25, 2015 in the ratio of 2:1 and the same got listed on May 8, 2015.

14 Other equity

a) Reserves and surplus

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Retained earnings	57,397.51	50,399.16
Securities premium	10,410.18	10,410.18
General reserve	3,201.52	3,201.52
Total reserves and surplus	**71,009.21**	**64,010.86**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
(i) Retained earnings		
Opening balance	50,399.16	38,683.57
Profit for the year	8,604.06	12,240.67
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of net defined benefit plans, net of tax	(110.74)	(26.74)
Final dividend paid during the year	(413.35)	(413.35)
Tax on Final dividend paid	(84.99)	(84.99)
Interim dividend paid during the year	(826.70)	-
Tax on Interim dividend paid	(169.93)	-
Closing balance	**57,397.51**	**50,399.16**
(ii) Securities premium		
Opening balance	10,410.18	10,410.18
Additions during the year	-	-
Closing balance	**10,410.18**	**10,410.18**

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

	Particulars	As at March 31, 2020	As at March 31, 2019
	(iii) General reserve		
	Opening balance	3,201.52	3,201.52
	Add: Appropriations	-	-
	Closing balance	**3,201.52**	**3,201.52**
	Total reserves and surplus	**71,009.21**	**64,010.86**
	b) Other reserves		

	Particulars	As at March 31, 2020	As at March 31, 2019
	FVTOCI reserve - equity instruments	(52.61)	57.11
	Total other reserves	**(52.61)**	**57.11**

	Particulars	As at March 31, 2020	As at March 31, 2019
	i) FVTOCI reserve - equity instruments		
	Opening balance	57.11	396.97
	Change in fair value of FVTOCI equity instruments	(109.72)	(339.86)
	Closing balance	**(52.61)**	**57.11**
	The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 31		
	Total other equity	**70,956.60**	**64,067.97**
	Nature and purpose of reserves		

a) Retained earnings - Retained earnings is used to represent the accumulated net earnings of the Company after accounting for dividends or other distributions to the investors of the Company as per the provisions of the Companies Act, 2013.

b) Securities premium - Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may use this reserve for issuing fully paid-up bonus shares, buy-back of shares and for expenses in relation to issue of shares.

c) General reserve - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares . No amount has been transferred to general reserve during the years ended March 31, 2020 & March 31, 2019.

d) FVTOCI reserve-equity instruments - The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The company transfers amounts from this reserve within equity when the relevant equity securities are derecognised.

15 Financial liabilities - Non Current

15(a) Borrowings

	Particulars	As at March 31, 2020	As at March 31, 2019
	Secured		
	Indian Rupee loan from banks		
	Term loans	-	682.35
	Vehicle loans	394.25	320.85
	Total	**394.25**	**1,003.20**
	Less: Current maturities of long-term debt (included in note 18(c))	203.72	871.60
	Non-current borrowings (as per balance sheet)	**190.53**	**131.60**
	Nature of Security and terms of repayment for secured borrowing :		
	a) Indian rupee term loan		

The Indian Rupees Term Loans outstanding amounts to INR NIL (March 31, 2019 - INR 682.35) had 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 had been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

b) Vehicle loans

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 8.40% to 9.70% per annum.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 43.

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

15(b) Lease liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current	192.72	-
Non-current	176.31	-
Total	**369.03**	-

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at March 31, 2020
Balance at April 1, 2019	**680.15**
Accretion of interest	54.31
Addition in lease liability	38.92
Repayment of lease liability	(215.49)
Derecognition of lease liability	(188.86)
Balance at March 31, 2020	**369.03**
The maturity analysis of the lease liability is included in the refer note 35.	
The effective interest rate for lease liabilities is 11%, with maturity between 2020-25.	

16 Long term provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit provisions		
Provision for gratuity	4.48	-
Provision for leave encashment	99.40	74.93
Total	**103.88**	**74.93**

Refer note 20 for disclosure of employee benefits.

17 Deferred tax liabilities (Net)

Particulars	As at April 1, 2019	Charge/ (credit) to Statement of Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2020
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(2,208.96)	89.74	-	-	(2,298.70)
Derivatives	(1.43)	5.12	-	-	(6.55)
Right-of-use asset	-	112.32	-	-	(112.32)
Total deferred tax liabilities	**(2,210.39)**	**207.18**	**-**	**-**	**(2,417.57)**
Deferred tax assets					
MAT credit	211.12	-	-	211.12	-
Investments	(17.35)	-	(33.32)	-	15.97
Impairment of Trade Receivables	184.06	(78.85)	-	-	262.91
Derivatives	42.75	17.38	-	-	25.37
Borrowings	2.94	2.94	-	-	-
Lease liabilities	-	(119.05)	-	-	119.05
Employee benefit provisions	-	(126.49)	-	-	126.49
Total deferred tax assets	**423.52**	**(304.07)**	**(33.32)**	**211.12**	**549.79**
Net deferred tax liabilities	**(1,786.87)**	**(96.89)**	**(33.32)**	**211.12**	**(1,867.78)**

Particulars	As at April 1, 2018	Charge/(credit) to Statementof Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2019
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(1,905.92)	303.04	-	-	(2,208.96)
Derivatives	(4.94)	(3.51)	-	-	(1.43)
Investments	(120.57)	-	(103.22)	-	(17.35)
Total deferred tax liabilities	**(2,031.43)**	**299.53**	**(103.22)**	**-**	**(2,227.74)**
Deferred tax assets					
MAT credit	-	-	-	(211.12)	211.12

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

	Particulars	As at April 1, 2018	Charge/ (credit) to Statement of Profit and Loss	Charge /(credit) to othercomprehensive income	MAT credit utilised	As at March 31, 2019
	Impairment of Trade Receivables	141.06	(43.00)	-	-	184.06
	Derivatives	1.24	(41.51)	-	-	42.75
	Borrowings	4.77	1.83	-	-	2.94
	Total deferred tax assets	**147.07**	**(82.68)**	**-**	**(211.12)**	**440.87**
	Net deferred tax liabilities	**(1,884.36)**	**216.85**	**(103.22)**	**(211.12)**	**(1,786.87)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

18 Financial Liabilities - Current

18(a) Borrowings

	Particulars	Maturity date	Interest rate	As at March 31, 2020	As at March 31, 2019
	Secured				
	Working Capital facilities from Banks				
	Loans repayable on demand				
	Working capital demand loans	Apr 20- Sep 20	7.80% - 10.15%	15,272.06	13,400.00
	FCNR Loans (USD)	-	-	-	1,208.40
	Cash credit from banks	On demand	10.95%	2,852.88	12,593.46
	Buyers Credit Loans (USD)	Apr-20	3.09%	108.98	2,265.09
	Cheques sent for collection	Apr-20	-	114.30	50.29
	Total			**18,348.22**	**29,517.24**

Working Capital Loans (Loans repayable on demand, Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over present and future stock & book debts and moveable property, plant and equipment of the company . These loans are additionally secured by equitable mortgage on pari passu basis over Lands & Buildings of the company and negative lien on company's office at Azad Pur (Delhi). Further, these loans have been guaranteed by the personal guarantee of the directors -Mr.Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 43.

18(b) Trade payables

	Particulars	As at March 31, 2020	As at March 31, 2019
	Trade payables		
	- to related parties (refer note 38)	172.36	3,219.72
	- to others	24,483.42	24,766.88
	Total	**24,655.78**	**27,986.60**
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	(A) total outstanding due of micro, small & medium enterprises; and	1,178.57	566.74
	(B) total outstanding dues of creditors other than micro enterprises, small & medium enterprises	23,477.21	27,419.86
	Total	**24,655.78**	**27,986.60**
	Trade payables are non-interest bearing and are settled on agreed terms.		
	Refer note 45 for disclosure pertaining to Micro, Small & Medium Enterprises Development Act, 2006.		

18(c) Other financial liabilities

	Particulars	As at March 31, 2020	As at March 31, 2019
	Financial liabilities at amortised cost		
	Current maturities of long-term borrowings (refer note 15(a))	203.72	871.60
	Security deposits received from customers	725.41	633.13
	Creditors for capital expenditure	466.85	134.57
	Interest accrued on borrowings	19.67	102.47
	Employee payables		
	- to related parties (refer note 38)	118.44	165.40
	- to others	1,299.92	980.69
	Unpaid dividend account	4.57	4.05
	Financial liabilities at fair value through profit and loss		
	Derivative liabilities	72.58	122.33
	Total	**2,911.16**	**3,014.24**

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

19	Other current Liabilities		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Advances from customers (refer note 46)	7,174.31	6,228.54
	Statutory dues	390.44	480.10
	Total	**7,564.75**	**6,708.64**

20	Short term provisions		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Employee benefit provisions		
	Provision for gratuity	253.37	130.93
	Provision for leave encashment	4.74	3.23
	Total	**258.11**	**134.16**
	(a) Defined contribution plan		
	During the year, the Company has recognised the following amounts in the Statement of Profit and Loss: (note 25)	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Employer's Contribution to Employee's Provident Fund (including admin charges)	364.60	293.10
	Employer's Contribution to Employee's State Insurance	28.03	36.16
	Total	**392.63**	**329.26**
	(b) Defined benefit plan		
	(i) Gratuity		

The company has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company provides for the liability in its books of accounts based on the actuarial valuation by applying the Projected Unit Credit Method. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The principal assumptions used in determining gratuity benefit obligations for the company's plan are shown below:	**As at March 31, 2020**	**As at March 31, 2019**
Rate of Discounting	6.82%	7.79%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	IALM (2006-08)	IALM (2006-08)
Changes in the present value of the defined benefit obligation are as follows:	**As at March 31, 2020**	**As at March 31, 2019**
Opening defined benefit obligation	627.90	526.06
Interest cost	48.91	41.35
Current service cost	72.49	61.09
Past service cost	-	-
Benefits paid	(22.71)	(40.14)
Actuarial (gain) / loss		
Due to change in financial assumptions	74.27	3.95
Due to change in experience	70.16	35.59
Closing defined benefit obligation	**871.02**	**627.90**
Changes in the Fair Value of Plan Assets are as follows:	**As at March 31, 2020**	**As at March 31, 2019**
Fair Value of Plan Assets at the Beginning of the Period	496.97	498.97
Interest Income	38.71	39.22
Contributions by the Employer	126.00	0.50
Benefits paid	(22.71)	(40.14)
Return on Plan Assets, Excluding Interest Income	(25.80)	(1.58)
Fair Value of Plan Assets at the End of the Period	**613.17**	**496.97**
Reconciliation of fair value of plan assets and defined benefit obligation:	**As at March 31, 2020**	**As at March 31, 2019**
Present value of defined benefit obligation	(871.02)	(627.90)
Fair value of plan assets	613.17	496.97
Plan asset / (liability)	**(257.85)**	**(130.93)**
Expenses recognised in profit and loss	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Net interest cost	10.20	2.13
Current service cost	72.49	61.09
Past service cost	-	-
Net expense *	**82.69**	**63.22**
* Includes INR 8.50 (March 31, 2019 - INR 3.55) transfer to Research & Development Expenditure		
Expenses recognised in other comprehensive income	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Actuarial (gain) / loss on defined benefit obligation	144.43	39.54
Return on Plan Assets, excluding Interest Income	25.80	1.58
Total expense recognised in statement of other comprehensive income	**170.23**	**41.12**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Major categories of plan assets of the fair value of the total plan assets	As at March 31, 2020		As at March 31, 2019	
	Total	**In %**	**Total**	**In %**
Insurance fund	613.17	100%	496.97	100%
Total	**613.17**	**100%**	**496.97**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:	Year ended March 31, 2020	Year ended March 31, 2019
Defined benefit obligation (base)	871.02	627.90
Change in discount rate		
Increase by 1%	(76.38)	(52.56)
Decrease by 1%	90.13	61.48
Change in rate of salary increase		
Increase by 1%	89.95	61.74
Decrease by 1%	(77.44)	(53.54)
Change in rate of employee turnover		
Increase by 1%	12.23	14.09
Decrease by 1%	(14.20)	(16.11)

The following payments are expected contributions to the defined benefit plan in future years:	As at March 31, 2020	As at March 31, 2019
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	114.04	68.46
Between 1 and 5 years	187.06	145.50
Between 5 and 10 years	316.53	257.79
More than 10 years	1,381.62	1,107.12

(c) Risk exposure

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

21 Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products		
Finished goods	1,27,142.77	1,09,056.95
Traded goods	7,873.30	9,214.09
Total	**1,35,016.07**	**1,18,271.04**
Other operating revenue		
Revenue from Job Work	60.37	196.91
Sale of scrap & others	82.83	62.94
Government Grants *	1,162.69	820.05
Total revenue from operations	**1,36,321.96**	**1,19,350.94**

* Includes GST Refund under Budgetery Support Scheme. As per the Scheme eligible units (Samba and Udhampur in Jammu & Kashmir) are entitled to receive refund of the Goods and Services Tax paid by the unit.

a) Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

	Revenues by Geography		
	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Within India	1,28,601.55	1,12,249.80
	Outside India	6,414.52	6,021.24
	Total	**1,35,016.07**	**1,18,271.04**

	Timing of revenue recognition		
	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	At a point in time		
	Sale of finished goods	1,27,142.77	1,09,056.95
	Sale of traded goods	7,873.30	9,214.09
	Total	**1,35,016.07**	**1,18,271.04**

	b) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:		
	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Revenue as per contract	1,49,831.89	1,29,690.85
	Adjustments for variable consideration:		
	Discounts and rebates	(14,815.82)	(11,419.81)
	Revenue from contracts with customers	**1,35,016.07**	**1,18,271.04**

c) Aggregate amount of the Transaction Price allocated to Performance Obligations that are unsatisfied at end of the year:

	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Advance from Customers* (refer note 46)	7,174.31	6,228.54
	Revenue recognised from amounts included in advance from customers at beginning of the year	6,228.54	5,664.94

Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

*For March 31, 2020, management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year.

22 Other Income

	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Interest income		
	Fixed deposits with banks	26.54	5.67
	Other assets	115.76	35.40
	Dividend income from equity investments designated at fair value through other comprehensive income*	10.16	9.10
	Other non-operating income		
	Miscellaneous income	39.69	24.20
	Net gain on fair value changes		
	Derivatives at FVTPL	64.40	-
	Total other income	**256.55**	**74.37**

* All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period.

23 Cost of raw material and components consumed

	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Raw Material		
	Inventory at the beginning of the year	18,501.32	15,515.06
	Add: Purchases	70,369.53	96,225.25
		88,870.85	1,11,740.31
	Less: inventory at the end of the year	17,033.79	18,501.32
	Cost of raw material consumed	**71,837.06**	**93,238.99**
	Packing Material		
	Inventory at the beginning of the year	1,376.58	1,329.89
	Add: Purchases	7,392.15	9,724.49
		8,768.73	11,054.38
	Less: inventory at the end of the year	1,521.91	1,376.58
	Cost of Packing material consumed	**7,246.82**	**9,677.80**
	Total Cost of raw material and components consumed	**79,083.88**	**1,02,916.79**

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

24 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year		
Finished goods	25,216.93	41,237.59
Semi-finished goods	7,110.33	6,742.27
Traded goods	890.91	2,487.46
Inventories at the beginning of the year		
Finished goods	41,237.59	17,582.85
Semi-finished goods	6,742.27	3,229.09
Traded goods	2,487.46	2,959.94
Total (Increase)/Decrease in inventories	**17,249.15**	**(26,695.44)**

Details of inventory	Year ended March 31, 2020	Year ended March 31, 2019
Traded goods		
Powder	168.58	630.55
Liquid	476.78	1,071.97
Granules		784.94
Total	**890.91**	**2,487.46**
Finished goods		
Liquid	18,711.02	26,974.86
Powder	2,289.46	3,939.65
Granules	1,467.86	6,723.55
Technicals	2,748.59	3,599.53
Total	**25,216.93**	**41,237.59**

25 Employee benefit expenses

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus		6,831.28	5,960.51
Contribution to provident and other funds	20	392.71	329.32
Gratuity expense	20	74.19	59.67
Staff welfare expenses		176.05	169.03
Total employee benefit expenses		**7,474.23**	**6,518.53**

26 Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	82.89	155.57
Interest on CC Limits, buyer's credit and demand loans	1,891.68	1,041.45
Interest on Lease Liabilities	54.31	-
Interest (Others)	27.30	41.50
Other borrowings costs		
Bank charges	332.80	283.68
Total finance costs	**2,388.98**	**1,522.20**

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	3	2,100.45	1,900.42
Depreciation of right of use Assets	4	229.03	-
Amortization of intangible assets	5	77.72	67.68
Total depreciation and amortization expense		**2,407.20**	**1,968.10**

28 Other expenses

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spares		764.85	621.05
Power and fuel Expenses		2,278.45	1,779.11
Transport charges		2,618.08	3,076.20
Repairs and Maintenance			
Buildings		3.96	5.24
Plant & Machinery		59.13	25.67
Others		247.94	246.17

Notes to financial statements for the year ended March 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

	Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
	Pollution Control Expenses		70.15	35.27
	Advertising and sales promotion		577.01	750.24
	Royalty		175.59	214.60
	Commission		683.24	607.97
	Travelling and conveyance		1,510.05	1,380.81
	Rent	41	73.98	274.98
	Insurance		118.84	66.56
	Communication expenses		33.26	37.01
	Printing and Stationery		25.88	47.25
	Legal and Professional Fees		429.24	428.93
	Director Sitting Fees	38	11.00	5.00
	Payment to Auditors	28(a)	40.51	33.87
	Electricity & Water Charges		55.90	58.35
	Rates and taxes		60.33	192.43
	Security Charges		98.71	91.37
	Research & Development Expenses	29	892.74	605.86
	Loss on Sale of Fixed Assets (net)		37.22	49.55
	Corporate Social Responsibility Expenses	28(b)	190.10	171.05
	Provision for impairment of trade receivables		225.64	123.08
	Net losses on fair value changes			
	Derivatives at FVTPL		-	129.09
	Exchange difference (net)		493.49	394.29
	Bad debts written off		6.34	23.08
	Miscellaneous Expenses		546.43	378.96
	Total other expenses		**12,328.06**	**11,853.04**

28(a) Details of payment to auditors (excluding taxes)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	As auditor		
	Statutory Audit Fees	39.00	30.00
	In other capacity		
	Reimbursement of expenses	1.51	3.87
	Total	**40.51**	**33.87**

28(b) 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.

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company	235.38	166.63
	Total amount spent for the financial year	(190.10)	(171.05)
	Amount unspent	**45.28**	**-**
	Amount spent during the year on:		
	(i) Construction/acquisition of an asset		
	- in cash	-	-
	- yet to be paid in cash	-	-
	(ii) On purpose other than (i) above		
	- in cash	190.10	171.05
	- yet to be paid in cash	-	-
	Total	**190.10**	**171.05**
	The entire amount is spent through the IIL foundation, which is a related party (refer note 38).		

29 Research & Development Expenditure

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(i) Revenue Expenditure :		
	(a) Employee cost	143.88	187.41
	(b) Cost of material & testing charges	15.12	0.84
	(c) Other R&D expenditure	6.79	-
	(d) Consultancy charges to OAT & IIL	326.56	276.54
	(ii) Capital Expenditure	24.50	0.40
	Total	**516.85**	**465.19**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

30 Income tax expense

This note provides an analysis of the Company's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,732.19	4,047.08
Adjustment of tax relating to earlier periods	(193.25)	(1,203.96)
Total current tax expense	**3538.94**	**2843.12**
Deferred tax		
Decrease (increase) in deferred tax assets	207.19	299.53
(Decrease) increase in deferred tax liabilities	(304.08)	(82.68)
Total deferred tax expense/(benefit)	**(96.899)**	**216.85**
Income tax expense	**2442.05**	**3059.97**
(b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate		

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense		
Tax at the Indian statutory income tax rate of 34.944%	3,859.95	5,346.66
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(41.81)	(33.10)
Deduction on account of tax holiday period	(1,199.00)	(1,194.13)
Other items	16.16	144.50
Adjustments for current tax of earlier periods	(193.25)	(1,203.96)
Income tax expense		

31 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2020

	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(110.74)	(110.74)
Gain/(loss) on FVTOCI financial assets	(109.72)	-	(109.72)
Total	**(109.72)**	**(110.74)**	**(220.46)**

During the year ended March 31, 2019

	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(26.74)	(26.74)
Gain/(loss) on FVTOCI financial assets	(339.86)	-	(339.86)
Total	**(339.86)**	**(26.74)**	**(366.60)**

32 Significant estimates, judgements and assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its histroically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India. Further details about gratuity obligations are given in Note 20.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates, incentives and cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised depends on whether the Company act as an agent or as a principal in an arrangement with a customer. The Company act as a principal if the Company controls a promised goods or service before the Company transfers the goods or service to a customer and act as an agent if the Company's performance obligation is to arrange for the provision of goods or service by another party.

Estimation uncertainty relating to COVID-19 outbreak

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of all the assets. (refer note 51)

33. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses full currency cum interest rate swap and foreign exchange forward contracts and option contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are measured at fair value through profit or loss. These contracts are entered into for period consistent with the foreign currency exposures of the underlying transactions and with the intention to reduce the foreign exchange risk of expected purchases and sales.

		As at March 31, 2020		As at March 31, 2019	
	Nature of instrument	Amount outstanding USD (in Lacs)	Amount outstanding INR	Amount outstanding USD (in Lacs)	Amount outstanding INR
	Hedged foreign currency exposures				
	Forward contract - Buy				
	In respect of foreign letters of credit	25.56	1,919.37	52.34	3,708.72
	In respect of import bills accepted	0.48	36.25	-	-
	In respect of buyer's credit	1.46	109.59	17.89	1,265.12

	Nature of instrument	As at March 31, 2020		As at March 31, 2019	
		Amount outstanding USD (in Lacs)	Amount outstanding INR	Amount outstanding USD (in Lacs)	Amount outstanding INR
		27.50	**2,065.21**	**70.23**	**4,973.84**
	Forward contract - Sell				
	In respect of trade receivables	20.99	1,529.92	4.75	338.20
		20.99	**1,529.92**	**4.75**	**338.20**
	Unhedged foreign currency exposures				
	a) Payables				
	Buyer's credit (including interest)	-	-	15.21	1,051.61
	Letters of credit	238.81	18,073.27	129.16	8,932.93
	Import bills accepted (Trade payables)	0.77	58.12	0.61	42.16
		239.58	**18,131.39**	**144.98**	**10,026.70**
	b) Receivables				
	Trade receivables	18.68	1,413.16	9.49	656.37
		18.68	**1,413.16**	**9.49**	**656.37**

34 Fair value measurements

	Particulars	As at March 31, 2020				As at March 31, 2019		
	(i) Financial instruments by category	**Note**	**FVTPL**	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
	a) Financial assets - Non-current							
	Investments							
	- Equity instruments	7(a)	-	244.97	-	-	388.01	-
	Security deposits	7(b)	-	-	128.87	-	-	127.02
	Deposits having maturity of more than twelve months	7(b)	-	-	31.95	-	-	29.82
	b) Financial assets - Current							
	Trade receivables	11(a)	-	-	31,978.73	-	-	24,424.89
	Cash and cash equivalents	11(b)	-	-	6,773.13	-	-	894.17
	Other bank balances	11(c)	-	-	642.97	-	-	29.83
	Loans	11(d)	-	-	272.82	-	-	1,216.61
	Derivative assets	11(e)	18.76			4.10	-	-
	Dividend receivable	11(e)	-	-	8.61	-	-	7.71
	Insurance claim recoverable	11(e)	-	-	80.95	-	-	-
	Interst accrued on inter corporate loans	11(e)	-	-	65.05			27.58
	Litigation charges recoverable	11(e)	-	-	19.60	-	-	19.60
	Export incentive recoverable	11(e)	-	-	126.02	-	-	97.33
	Interest subsidy recoverable	11(e)	-	-	285.25	-	-	302.28
	Total financial assets		**18.76**	**244.97**	**40,413.95**	**4.10**	**388.01**	**27,176.84**
	c) Financial liabilities - Non-current							
	Borrowings	15(a)	-	-	190.53	-	-	131.60
	d) Financial liabilities - Current							
	Borrowings	18(a)	-	-	18,348.22	-	-	29,517.24
	Trade payables	18(b)	-	-	24,655.78	-	-	27,986.60
	Current maturities of long-term borrowings	18(c)	-	-	203.72	-	-	871.60
	Security deposits received from customers	18(c)	-	-	725.41	-	-	633.13
	Creditors for capital expenditure	18(c)	-	-	466.85	-	-	134.57
	Interest accrued on borrowings	18(c)	-	-	19.67	-	-	102.47
	Employee payables	18(c)	-	-	1,418.36	-	-	1,146.09

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

	Particulars	As at March 31, 2020				As at March 31, 2019		
	Unpaid dividend account	18(c)	-	-	4.57	-	-	4.05
	Derivative liabilities	18(c)	72.58	-	-	122.33	-	-
	Total financial liabilities		**72.58**	**-**	**46,033.11**	**122.33**	**-**	**60,527.35**
	(ii) Fair value hierarchy							

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	As at March 31, 2020			As at March 31, 2019		
Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	244.97	-	-	388.01	-	-
Financial assets at FVTPL						
-Derivative assets	-	18.76	-	-	4.10	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	72.58	-	-	122.33	-

*The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There have been no transfers between Level 1 and Level 2 during the period.

Particular	March 31, 2020			March 31, 2019		
Assets and liabilities which are measured at amortised cost for which fair values are disclosed	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Security deposits	-	-	128.87	-	-	127.02
Deposits having maturity of more than twelve months	-	31.95	-	-	29.82	-
Financial liabilities						
Long term borrowings (including current maturities)	-	394.25	-	-	967.88	-
There have been no transfers between Level 1 and Level 2 during the period.						

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

d) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Note	March 31, 2020		March 31, 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	7(b)	128.87	128.87	127.02	127.02
-Deposits having maturity of more than twelve months*	7(b)	31.95	31.95	29.82	29.82
Financial liabilities					
- Long term borrowings (including current maturities)	15(a)	394.25	394.25	1,003.20	967.88

*The management assessed that fair values of above financial instruments is substantially equal to their carrying value due to amortised cost being calculated based on the effective interest rates, which approximates the market rates.

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

35. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents and loans that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk that are summarised as under:-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	a) Cash flow forecasting b) Sensitivity analysis	a) Forward exchange contracts b) Foreign currency options c) Currency swaps
Market risk - interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company has formulated the Risk Management Policy whose objective 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 as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(I) Credit risk management

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. Individual risk limits are set accordingly. New customers are analysed individually for creditworthiness before the Company's standard payment and delivery terms are offered. Sale limits are established for each customers and reviewed periodically.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

a) Actual or expected significant adverse changes in business, financial or economic conditions that are actual

b) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the company.

The maximum exposure to credit risk arising from trade receivables is provided in note 11(a).

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's management in accordance with the policy of the Company. Counterparty credit limits are reviewed by the Company's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as illustrated in Note 7 and 11 except for derivative financial instruments.

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees and inter-corporate loans	Security deposits	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit loss	12-month expected credit loss	Lifetime expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			

Year ended March 31, 2020

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group Gross carrying amount		Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and inter-corporate loans	272.82	0%	-	272.82
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	128.87	0%	-	128.87

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	16,528.87	10,270.01	4,597.31	518.00	304.12	512.80	**32,731.11**
Expected loss rate	0.11%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	18.09	20.54	22.99	25.90	152.06	512.80	**752.38**
Carrying amount of trade receivables (net of impairment)	**16,510.78**	**10,249.47**	**4,574.32**	**492.10**	**152.06**	**-**	**31,978.73**

Year ended March 31, 2019

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and inter-corporate loans	1,216.61	0%	-	1,216.61
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	127.02	0%	-	127.02

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	10,546.96	8,909.24	4,454.75	379.15	408.80	252.73	**24,951.63**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	10.56	17.82	22.27	18.96	204.40	252.73	**526.74**
Carrying amount of trade receivables (net of impairment)	**10,536.40**	**8,891.42**	**4,432.48**	**360.19**	**204.40**	**-**	**24,424.89**

Reconciliation of loss allowance provision - trade receivables

	Amount
Loss allowance on March 31, 2018	**403.67**
Changes in loss allowance	123.07
Loss allowance on March 31, 2019	**526.74**
Changes in loss allowance	225.64
Loss allowance on March 31, 2020	**752.38**

B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The Company enjoys a good reputation for its sound financial management and ability to meet in financial commitments. CRISIL, a S&P Global Company, a reputed Rating Agency, has re-affirmed the credit rating of CRISIL A/Stable for the longterm and CRISIL A1 for the Short-term Bank facilities.

(I) Financing arrangements

The Company had access to the following undrawn borrowing facilities subject to the reconcilation at the end of the reporting period :

	As at March 31, 2020	As at March 31, 2019
Floating rate		
Short term borrowings	26,195.97	17,589.26

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments :

Contractual maturities of financial liabilities:-

As at March 31, 2020	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	203.72	190.53	-	394.25
Lease liabilities	15(b)	199.51	222.49	-	422.00
Short term borrowings	18(a)	18,348.22	-	-	18,348.22
Trade payables	18(b)	24,655.78	-	-	24,655.78
Security deposits received from customers	18(c)	725.41	-	-	725.41
Creditors for capital expenditure	18(c)	466.85	-	-	466.85
Interest accrued on borrowings	18(c)	19.67	-	-	19.67
Employee payables	18(c)	1,418.36	-	-	1,418.36
Unpaid dividend account	18(c)	4.57	-	-	4.57
Derivative liabilities	18(c)	72.58	-	-	72.58
Total		**46,114.67**	**413.02**	**-**	**46,527.69**

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

As at March 31, 2019	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	871.60	131.60	-	1,003.20
Short term borrowings	18(a)	29,517.24	-	-	29,517.24
Trade payables	18(b)	27,986.60	-	-	27,986.60
Security deposits received from customers	18(c)	633.13	-	-	633.13
Creditors for capital expenditure	18(c)	134.57	-	-	134.57
Interest accrued on borrowings	18(c)	102.47	-	-	102.47
Employee payables	18(c)	1,146.09	-	-	1,146.09
Unpaid dividend account	18(c)	4.05	-	-	4.05
Derivative liabilities	18(c)	122.33	-	-	122.33
Total		**60,518.08**	**131.60**	**-**	**60,649.68**

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

(I) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company hedges its exposure to fluctuations on the foreign currency loan by using foreign currency swaps and forwards.

At March 31, 2020 and March 31, 2019 the Company's hedge position is stated in Note 33. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Impact on profit before tax	
	Year ended March 31, 2020	Year ended March 31, 2019
USD sensitivity		
INR/USD - increase by 1% (March 31, 2019: 1%)	(167.18)	(93.70)
INR/USD - decrease by 1% (March 31, 2019: 1%)	167.18	93.70
	Impact on other comprehensive income	
JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (company listed on Tokyo Stock exchange)]	**Year ended March 31, 2020**	**Year ended March 31, 2019**
INR/JPY - increase by 5% (March 31, 2019: 5%)	12.25	19.40
INR/JPY - decrease by 5% (March 31, 2019: 5%)	(12.25)	(19.40)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. At March 31, 2020, 99.93% (March 31, 2019, 99.92%) of the Company's total borrowings are at a fixed rate of interest. As on March 31, 2020, the Company's borrowings were mainly denominated in INR and USD. In case of ECBs, the Company raises them at floating rates and swaps them into fixed rates that are lower than those available if the Company borrowed at fixed rates directly. Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(All amounts in INR in 'Lacs', unless mentioned otherwise)

	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings		
Long term borrowings (including current maturities)	381.90	977.36
Short term borrowings	18,348.22	29,517.24
Variable rate borrowings		
Long term borrowings (including current maturities)	12.35	25.84
Total borrowings	**18,742.47**	**30,520.44**

As at the end of the reporting period, the Company had the following long term variable rate borrowings (including current maturities) and interest rate swap contracts outstanding:

	As at March 31, 2020			As at March 31, 2019		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	8.50% -	12.35	0.07%	8.50% - 10.00%	25.84	0.08%
Net exposure to cash flow interest rate risk		**12.35**	**0.07%**		**25.84**	**0.08%**

(b) Sensitivity

The Company's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is not significant hence the sensitivity is not disclosed.

(iii) Price risk

(a) Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) and classified in the balance sheet as fair value through OCI (note 31).

(b) Sensitivity

The Group's investment in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) is publicly traded in the Japanese stock exchange. With all other variables held constant, a 10% movement in the market value of the equity instrument will increase or decrease other comprehensive income by INR 24.50 (March 31, 2019: INR 38.80)

36. Capital management

(a) Risk management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. For the purpose of the Company's capital management, net debt includes interest bearing loans and borrowings, less cash and cash equivalents. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

	Note	As at March 31, 2020	As at March 31, 2019
Total debt	15(a),18(a),18(c)	18,742.47	30,520.44
(Less): Cash and cash equivalents	11(b)	(6,773.13)	(894.17)
Net debt		**11,969.34**	**29,626.27**
Total capital	13,14	73,023.38	66,134.75
Capital and net debt		**84,992.72**	**95,761.02**
Gearing ratio		**14%**	**31%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 & March 31, 2019.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

(b) Dividends

	Year ended March 31, 2020	Year ended March 31, 2019
(i) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2019 of INR 2 (March 31, 2018 : INR 2) per fully paid share	413.35	413.35
Dividend distrubution tax (DDT) on final dividend	84.99	84.99
Interim dividend for the year ended March 31, 2020 of INR 4 (March 31, 2019: Nil) per fully paid share	826.70	-
Dividend distrubution tax (DDT) on interim dividend	169.93	-
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended the payment of a final dividend of Nil per fully paid equity share (March 31, 2019: INR 2). This proposed dividend (including dividend distribution tax thereon) is subject to the approval of shareholders in the annual general meeting and is not recognized as a liability.	-	413.35
The amount of dividend distribution tax on dividends that were proposed or declared before the financial statements were approved for issue is Nil (March 31, 2019: INR 84.99).		

37 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing and distribution of Agro-chemicals comprising of technical and formulation, hence there is one operating segment.

Entity wide disclosures as applicable to the Company are mentioned below:-

a) Information about geographical areas:

Revenue from external customers	Year ended March 31, 2020	Year ended March 31, 2019
Within India	1,28,601.55	1,12,249.80
Outside India	6,414.52	6,021.24
Total revenue	**1,35,016.07**	**1,18,271.04**

The basis for attributing revenues from external customer is based on the country of domicile of the respective customers.

b) Revenue from Major Customers: There is no customer having revenue amounting to 10% or more of Company's total revenue.

38 Related party transactions

(i) Names of related parties and related party relationship:-

a) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)

1. Sh. Hari Chand Aggarwal - Chairman
2. Sh. Rajesh Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director

b) Key Management Personnel (KMP)

1. Sh. Sandeep Aggarwal - Chief Financial Officer
2. Sh. Sandeep Kumar - Company Secretary

c) Independent directors

1. Sh. Vrijesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Sh. Vinod Kumar Mittal
5. Smt. Praveen Gupta (appointed w.e.f. February 15, 2020)

d) Relatives of KMPs

1. Sh. Sanjeev Aggarwal
2. Smt. Sonia Aggarwal
3. Smt. Anju Aggarwal
4. Smt. Pushpa Aggarwal
5. Miss Kritika Aggarwal

Notes to financial statements for the year ended March 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

	e) Enterprises over which the Company exercises joint control
	1. OAT & IIL India Laboratories Private Limited
	f) Enterprises over which key management personnel and their relatives have control / significant influence:
	1. ISEC Organics Ltd.
	2. Valves & Pneumatics
	3. Vinod Metals Industries
	4. Crystal Crop Protection Pvt. Ltd.
	5. HPM Chemicals & Fertilizers Ltd.
	6. Crop Care Federation of India
	7. IIL foundation
	8. Indogulf Cropsciences Limited

(ii) Transactions during the year with related parties:-

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement expense	**0.30**	**0.16**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	0.30	0.16										
Consultancy expenses	-	-	-	-	-	-	-	-	**10.96**	**9.76**	-	-
Smt. Sonia Aggarwal									10.96	9.76		
Deputation fee income	-	-	**38.39**	**25.99**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private			38.39	25.99								
Membership & Subscription expense	**11.80**	**8.26**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	11.80	8.26										
Purchase of Capital & Consumabable Goods	**165.36**	**85.99**	-	-	-	-	-	-	-	-	-	-
Valves & Pneumatics	-	0.29										
Vinod Metal Industries	165.36	85.70										
Sales of Finished Goods	**3,747.49**	**5,589.18**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	2,910.56	2,800.56										
HPM Chemical & Fertilizers Limited	390.50	427.19										
Indogulf Cropsciences Limited	446.43	2,361.43										
Purchases of Traded Goods	**1.87**	**420.70**	-	-	-	-	-	-	-	-	-	-
HPM Chemical & Fertilizers Limited	1.87	420.70										
Purchases of Raw	**4,914.47**	**9,039.97**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	4,112.57	2,721.02										
HPM Chemical & Fertilizers Limited	-	913.37										
Indogulf Cropsciences Limited	801.90	5,405.58										
Other Expenses	**17.70**	**17.70**	-	-	-	-	-	-	-	-	-	-

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Crop Care Federation of India	17.70	17.70										
R & D Expenses	**-**	**-**	**385.34**	**329.20**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private			385.34	329.20								
Rent paid	**65.63**	**69.41**	**-**	**-**	**-**	**-**	**-**	**-**	**2.64**	**2.56**	**-**	**-**
ISEC Organics Ltd	65.63	69.41							-	-		
Smt. Pushpa Aggarwal		-							2.64	2.56		
Purchase of Property, Plant & Equipment	**777.60**	**-**										
ISEC Organics Ltd	777.60	-										
Revenue from Job Work			**46.05**	**-**								
OAT & IIL India Laboratories Private Limited			46.05	-								

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Remuneration paid *	**-**	**-**	**-**	**-**	**901.08**	**987.92**	**42.80**	**38.55**	**46.57**	**44.83**	**-**	**-**
Sh. Hari Chand Aggarwal					431.77	472.50						
Sh. Rajesh Aggarwal					425.83	472.50						
Smt. Nikunj Aggarwal					43.48	42.92						
Sh. Sandeep Aggarwal							32.66	30.59				
Sh. Sandeep Kumar							10.14	7.96				
Sh. Sanjeev Aggarwal									20.96	19.58		
Smt. Anju Aggarwal									12.79	12.65		
Miss Kritika Aggarwal									12.82	12.60		
Contribution to CSR	**190.10**	**171.05**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	190.10	171.05										
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11.00**	**5.00**
Sh. Vinod Kumar Mittal											2.50	1.25
Sh. Jayaraman Swaminathan											3.50	1.50
Smt.Praveen Gupta											0.50	-
Sh.. Navin Shah											2.00	1.00
Sh. Vrijesh Kumar Gupta											2.50	1.25

* Excluding post employment benefits

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

(iii) Balance outstanding with related parties

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Remuneration payable	**-**	**-**	**-**	**-**	**111.28**	**159.96**	**3.16**	**2.59**	**4.00**	**2.85**	**-**	**-**
Sh. Hari Chand Aggarwal					105.33	76.81	-	-	-	-		
Sh. Rajesh Aggarwal					3.51	80.91	-	-	-	-		
Smt. Nikunj Aggarwal					2.44	2.24	-	-	-	-		
Sh. Sandeep Aggarwal					-	-	1.87	1.77	-	-		
Sh. Sandeep Kumar					-	-	1.29	0.82	-	-		
Sh. Sanjeev Aggarwal					-	-	-	-	1.70	1.20		
Smt. Anju Aggarwal					-	-	-	-	0.89	0.86		
Miss Kritika Aggarwal					-	-	-	-	1.41	0.79		
Trade Payables	**169.14**	**3,218.97**	**-**	**-**			**-**	**-**	**3.22**	**0.75**	**-**	**-**
Vinod Metal Industries	61.46	30.70							-	-		
Valves & Pneumatics	-	0.29							-	-		
Indogulf Cropsciences Limited	-	2,156.09							-	-		
HPM Chemical & Fertilizers Limited	-	1,031.73							-	-		
Isec Organics Ltd.	89.84	-							-	-		
Crop Care Federation of India	17.84	0.16							-	-		
Smt. Sonia Aggarwal	-	-							0.84	0.75		
Smt. Pushpa Aggarwal	-	-							2.38	-		
Trade Receivables	**53.60**	**1,215.17**	**18.12**	**-**			**-**	**-**	**-**	**-**	**-**	**-**
HPM Chemical & Fertilizers Limited	-	143.31	-	-								
Crystal Crop Protection Ltd	-	699.97	-	-								
Indogulf Cropsciences Ltd	53.60	371.89	-	-								
OAT & IIL India Laboratories Private Limited	-	-	18.12	-								
Advances given	**625.57**	**966.60**	**4.97**	**1.98**			**-**	**-**	**-**	**-**	**0.24**	**-**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
Crystal Crop Protection Ltd	625.57	355.67	-	-							-	-
Isec Organics Ltd.	-	610.93	-	-							-	-
OAT & IIL India Laboratories Private Limited	-	-	4.97	1.98							-	-
Sh. Vinod Kumar Mittal	-	-	-	-							0.06	-
Sh. Jayaraman Swaminathan	-	-	-	-							0.06	-
Sh.. Navin Shah	-	-	-	-							0.06	-
Sh. Vrijesh Kumar Gupta	-	-	-	-							0.06	-

iv) Key management personnel compensation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits	943.88	1,026.47
Post-employment benefits	21.83	15.57
Long-term employee benefits	-	-
Total	**965.71**	**1,042.04**

v) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
a) Bank Guarantee	104.50	186.93
b) Excise Matter with Appellate Authority	429.51	1,142.17
c) Sales Tax / GST Matters	397.57	401.49
d) Revenue Department	89.60	89.60
Total	**1,021.18**	**1,820.19**

With respect to contingent liabilities reported at (b), (c), & (d) above, the management has taken an opinion from the legal advisors / professionals engaged by them and expects that the appeals will be decided in the favor. Therefore, the probability of outflow of resources is remote.

40 Commitments

a) Commitments with respect to:

Particulars	As at March 31, 2020	As at March 31, 2019
Letter of Credits (FLC & ILC)	8,232.72	5,154.09
	8,232.72	**5,154.09**

b) Capital commitments - Estimated amount of Contracts remaining to be executed on capital accounts (net of advances) and not provided for INR 89.88 (March 31, 2019- INR 242.74).

41 Leases

The Company has lease contracts for land, office premises, warehouses and vehicles. The land leases have term ranging from 60 to 198 years, office premises and warehouses have lease terms between 1 to 5 years.

Further, the Company has leases of warehouses and vehicles which have lease term less than 12 months. The Company applies the "Short term leases" recognition exemption for such leases.

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

a) Amounts recognized in profit and loss

Particulars	Year ended March 31, 2020
Depreciation expense of right-of-use assets (Refer Note 27)	229.03
Interest expense on lease liabilities (Refer Note 26)	54.31
Expense relating to short-term leases (included in rent) (Refer Note 28)	73.98
(Gain)/loss on termination of leases (included in miscellaneous income) (Refer Note 22)	(5.59)
Total	**351.73**

b) Extension and termination options

The Company has lease contracts that include extension and termination options. These options are negotiated by management and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Company has considered all the lease payments relating to periods following the exercise date of extension options, where such option is available with the Company in the calculation of lease liabilities. The Company has determined that it is not reasonably certain that termination options attached to lease contracts will be exercised. Therefore, such disclosures are not applicable.

42 Earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year	8,604.06	12,240.67
Weighted average number of shares (Face value Rs 10/- each)	2,06,67,796	2,06,67,796
(a) Basic earnings per share (INR)	41.63	59.23
(b) Diluted earnings per share (INR)*	41.63	59.23

*There are no dilutive potential equity shares.

43 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Current			
Financial assets			
First charge			
Trade receivables	11(a)	31,978.73	24,424.89
Loans	11(d)	272.82	1,216.61
Other financial assets	11(e)	604.24	458.60
		32,855.79	**26,100.10**
Non-financial assets			
Inventories	10	51,926.48	70,510.65
Other current assets	12	1,407.22	897.34
Total current assets pledged as security		**86,189.49**	**97,508.09**
Non-Current			
Financial assets			
First charge			
Security deposits	7(b)	128.87	127.02
Non-financial assets			
Particulars	**Note**	**As at March 31, 2020**	**As at March 31, 2019**
Property, plant and equipment	3	20,893.13	23,715.03
Capital work-in-progress	3	3,288.41	1,271.42
Other non-current assets	9	682.22	1,300.99
Total non-currents assets pledged as security		**24,992.63**	**26,414.46**
Total assets pledged as security		**1,11,182.12**	**1,23,922.55**

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

44 The Balances shown under the head Trade Receivables and Trade Payables are subject to confirmation and reconciliations. However, the Company has initiated the process of obtaining confirmations from trade receivables and payables.

45 Information as required to be funished as per section 22 of the Micro, small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company :

	Particulars	As at March 31, 2020	As at March 31, 2019
i	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	274.45	53.53
	Interest	0.48	6.12
ii	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payments made to the supplier beyond the appointed day during each accounting Year.		
	Principal Paid during FY 2019-20	63.60	-
	Interest Paid during FY 2019-20	-	-
iii	The amount of interest due and payables for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	0.48	4.42
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.		
	Accounting year ended 31st March 2020	2.46	-
	Accounting year ended 31st March 2019*	-	6.12
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible enterprise under section 23 of the MSMED Act,2006.	2.46	6.12

*The interest has been reversed since the same was not required to be paid as per the agreement/PO

46 **Contract assets and contract liabilities**

The following table provides information about trade receivables and contract liabilities from contracts with the customers :

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables (refer note 11(a))	31,978.73	24,424.89
Total trade receivables	**31,978.73**	**24,424.89**
Advance from customers (contract liabilities) (refer note 19 & 21)	7,174.31	6,228.54
Total advance from customers (contract liabilities)	**7,174.31**	**6,228.54**

47 In order to facilitate better presentation and nature of the transactions, certain figures have been regrouped/reclassified in the previous year to conform to current year's classification. Such regroupings/reclassifications had no effect on the Statement of Profit & Loss, Balance Sheet, Statement of Cash Flows and Statement of Changes in Equity.

48 The Company has received Refund of Terminal Excise Duty during the financial years 2014-15, 2015-16 & 2016-17 from the Director of Foreign Trade (DGFT), Ahmedabad on the basis of issuance of an Advance Release Order (ARO) by DGFT, Mumbai. On 28th November, 2019, the Additional Director of Foreign Trade, Ahmedabad has issued show cause notice (which is primary stage of adjudication) stating that the refunds were erroneously paid by this office and directed to pay back the amount of INR 7,828.87 along with interest @ 15%. The Additional Director of Foreign Trade, Ahmedabad has also provided an opportunity to the Company to appear before the Authority which is mandatory requirement before adjudicating. In terms of the provisions of the Act, the Company filed the writ petition before Hon'ble Gujarat High Court against the Show Cause Notice challenging the legality of the notice and the Hon'ble court has granted interim relief and also stayed the show cause notice proceedings.

Notes to financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

49 Information on details of loans under section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014

Particulars	Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020	Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	320.84	445.16	409.00	409.00
- Mentor Financial Services Pvt. Ltd (for Business purpose)	9.21	842.52	818.58	818.58

Note: Advances to employee as per company's policy are not considered.

50 Changes in accounting policies and disclosures

New and amended standards and interpretations

(i) Ind AS 116 Leases

Ind AS 116 was notified with effect from April 1, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is as follows:

Assets	Amount
Right-of-use assets	2,782.55
Property, plant and equipment	(2,102.40)
Other assets	-
Total assets	**680.15**
Liabilities	
Financial liabilities - Lease liabilities	680.15
Deferred tax liabilities	-
Trade and other payables	-
Total liabilities	**680.15**
Total adjustment on equity:	-
Retained earnings	
Non-controlling interests	-

The Company has lease contracts for land, office, warehouse and vehicles. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 2. 2. (h) for the accounting policy on Ind AS 116. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The Company recognizes a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and correspondingly measured the right-of-use asset at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019 is as follows:

	As at April 1, 2019
Assets	
Operating lease commitments as at March 31, 2019	-
Weighted average incremental borrowing rate as at April 1, 2019	11%
Discounted operating lease commitments as at April 1, 2019	-
Add:	
Lease payments relating to cancellable and renewal periods not included in operating lease commitments as at March 31, 2019	680.15
Lease liabilities as at April 1, 2019	**680.15**

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

a) Whether an entity considers uncertain tax treatments separately

b) The assumptions an entity makes about the examination of tax treatments by taxation authorities

c) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

d) How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Company.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments are not applicable to financial statements of the Company.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These amendments did not have an impact on financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements as the Company.

(vi) Annual Improvements to Ind AS (2018)

a. Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the financial statements of the Company as there is no transaction where joint control is obtained.

b.	**Ind AS 111 Joint Arrangements**
	An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.
	An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.
	These amendments had no impact on the financial statements of the Company as there is no transaction where joint control is obtained.
c.	**Ind AS 12 Income Taxes**
	The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.
	An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019.
	The amendments had no impact on the financial statements of the Company.
d.	**Ind AS 23 Borrowing Costs**
	The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.
	The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019.
	The amendments had no impact on the financial statements of the Company.
51	The Ministry of Home Affairs (MHA) vide order No. 40-3/2020 dated March 24, 2020 notified Nation wide lock-down in India to contain the outbreak of COVID-19. MHA had imposed several restrictions on travel, goods movements and transportation considering public health and safety measures. The Company's business has been classified as an "essential commodity" at par with medical, medicine, food chain etc. As of today, as per MHA and State governments guidelines, all production facilities in various parts of the Country remain in operation with enhanced internal safety guidelines. There is no significant impact of COVID-19 pandemic on the current and future business condition of the Company, financial statements liquidity position and cash flow and has concluded that no material adjustments are required in the financial statements. Management will continue to closely monitor the situation.

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Independent Auditor's Report on Consolidated Financial Statement

To the Members of Insecticides (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Insecticides (India) Limited (herein referred to as " the Company") and its jointly controlled entity- OAT & IIL India Laboratories Private Limited, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company and its jointly controlled entity as at March 31, 2020, the Consolidated profit, Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its jointly controlled entity in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note No. 51 of the Consolidated Financial Statement, which describes the uncertainties and the impact of Covid-19 pandemic on the operations of Company and its jointly controlled entity and results as assessed by the management. Due to Covid-19 related lock-down restrictions imposed by the Government, physical verification of inventory at various locations was carried out by the management of the Company near to year-end. Our attendance at the physical Inventory verification done by the management of the Company was impracticable under such lock-down restrictions imposed by the government. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory of the Company at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recognition of revenue The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer. For the year ended March 31, 2020, Consolidated Statement of Profit & Loss includes Sales of Rs. 1,35,016.06 Lakhs. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period. Refer to Accounting policies Note 2.3 (b) and Note No. 21 of the Consolidated Financial Statements.	**Principal Audit Procedures** ▪ We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements. ▪ Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. ▪ We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. ▪ We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. ▪ We validated the appropriateness and completeness of the related disclosures in Note No. 21 of the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company and its jointly controlled entity in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Company and its jointly controlled entity are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Company and of its jointly controlled entity are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its jointly controlled entity are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its jointly controlled entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its jointly controlled entity to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Consolidated Financial Statements include the Company's share of net profit after tax of Rs. 83.85 lakhs for the year ended March 31, 2020, in respect of one jointly controlled entity. These financial statements are audited by other auditors whose report have been furnished to us by the management. Our opinion in so far as it relates to the affairs of such jointly controlled entity, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the report of the other auditor.

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 matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. 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 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 (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its jointly controlled entity incorporated in India, none of the directors of the Company and its jointly controlled entity is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and its jointly controlled entity and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statement.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose impact of pending litigations on the Consolidated financial position of the Company and its jointly controlled entity. Refer Note 40 to the Consolidated Financial Statements.

ii. The Company and its jointly controlled entity have made provisions, 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 ('IEPF') by the Company and its jointly controlled entity.

For **S S Kothari Mehta & Co.**
Chartered Accountants
Firm's registration number: 000756N

Sd/-
Harish Gupta
Partner
Membership number: 098336
UDIN : 20098336AAAABD5281

Place: New Delhi
Date : June 25, 2020

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Sd/-
Devesh Parekh
Partner
Membership number: 092160
UDIN: 20092160AAAAGE8181

Place: New Delhi
Date : June 25, 2020

Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Insecticides (India) Limited.

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Insecticides (India) Limited of even date)

Report on the Internal Financial Controls with reference to financial statements 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 company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of **Insecticides (India) Limited.**

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls with reference to financial statements 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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, issued by the ICAI and 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 have maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements 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.

Other Matters

Reporting on the adequacy of the Internal Financial Controls with reference to financial statement of the jointly controlled entity and the operating effectiveness of such controls, under Section 143(3)(i) of the Act is not applicable as per report of the auditors of such company.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's registration number: 000756N

Sd/-
Harish Gupta
Partner
Membership number: 098336
UDIN : 20098336AAAABD5281

Place: New Delhi
Date : June 25, 2020

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Sd/-
Devesh Parekh
Partner
Membership number: 092160
UDIN: 20092160AAAAGE8181

Place: New Delhi
Date : June 25, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars			Note	As at March 31, 2020	As at March 31, 2019
ASSETS					
1. Non current assets					
	(a)	Property, plant and equipment	3	20,893.13	23,715.03
	(b)	Capital work-in-progress	3	3,288.41	1,271.42
	(c)	Right-of-use asset	4	2,514.73	-
	(d)	Intangible assets	5	501.91	304.95
	(e)	Intangible assets under development	5	607.49	628.71
	(f)	Investment in joint venture	6	944.48	860.63
	(g)	Financial assets	7		
		(i) Investments	7(a)	244.97	388.01
		(ii) Other financial assets	7(b)	160.82	156.84
	(h)	Non-current tax assets (net)	8	1,396.89	454.90
	(i)	Other non-current assets	9	1,056.11	1,531.34
	Total non-current assets			**31,608.94**	**29,311.83**
	(a)	Inventories	10	51,926.48	70,510.65
	(b)	Financial Assets	11		
		(I) Trade receivables	11(a)	31,978.73	24,424.89
		(ii) Cash and cash equivalents	11(b)	6,773.13	894.17
		(iii) Bank balances other than (ii) above	11(c)	642.97	29.83
		(iv) Loans	11(d)	272.82	1,216.61
		(v) Other financial assets	11(e)	604.24	458.60
	(c)	Other current assets	12	5,634.79	8,708.08
	Total current assets			**97,833.16**	**106,242.83**
	Total assets			**129,442.10**	**135,554.66**
EQUITY AND LIABILITIES					
	Equity				
	(a)	Equity Share capital	13	2,066.78	2,066.78
	(b)	Other Equity	14	71,106.08	64,133.60
	Total equity			**73,172.86**	**66,200.38**
LIABILITIES					
1	**Non-current liabilities**				
	(a)	Financial Liabilities	15		
		(i) Borrowings	15(a)	190.53	131.60
		(ii) Lease liabilities	15(b)	176.31	-
	(b)	Provisions	16	103.88	74.93
	(c)	Deferred tax liabilities (net)	17	1,867.78	1,786.87
	Total non-current liabilities			**2,338.50**	**1,993.40**
2	**Current liabilities**				
	(a)	Financial Liabilities	18		
		(i) Borrowings	18(a)	18,348.22	29,517.24
		(ii) Lease liabilities	15(b)	192.72	-
		(iii) Trade Payables	18(b)		
		(A) total outstanding due of micro enterprises and small enterprises; and		1,178.57	566.74
		(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		23,477.21	27,419.86
		(iv) Other financial liabilities	18(c)	2,911.16	3,014.24
	(b)	Other current liabilities	19	7,564.75	6,708.64
	(C)	Provisions	20	258.11	134.16
	Total current liabilities			**53,930.74**	**67,360.88**
	Total equity and liabilities			**129,442.10**	**135,554.66**

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

Summary of Significant Accounting Policies — 1 to 2

Notes to Financial Statements — 3 to 53

Auditor's Report

As per our separate report of even date annexed herewith

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N
Place : Delhi
Date : June 25, 2020

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	21	136,321.96	119,350.94
Other Income	22	256.55	74.37
Total Income		**136,578.51**	**119,425.31**
Expenses			
Cost of raw material and components consumed	23	79,083.88	102,916.79
Purchase of Traded Goods		4,600.90	6,041.45
Changes in inventories of finished goods, work-in-progress and traded goods	24	17,249.15	(26,695.44)
Employee benefits expense	25	7,474.23	6,518.53
Finance Costs	26	2,388.98	1,522.20
Depreciation and amortization expense	27	2,407.20	1,968.10
Other expenses	28	12,328.06	11,853.04
Total expenses		**125,532.40**	**104,124.67**
Profit before tax and share of net profits of investments accounted for using equity method		11,046.11	15,300.64
Share of net profit of joint venture accounted for using the equity method	53	87.25	40.71
Profit before tax		11,133.36	15,341.35
Tax Expenses	30		
- Current Tax		2,538.94	2,843.12
- Deferred Tax		(96.89)	216.85
Total Tax Expenses		**2,442.05**	**3,059.97**
Profit for the period		**8,691.31**	**12,281.38**
Other comprehensive income	31		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		(143.03)	(443.08)
Remeasurement of net defined benefit plans		(170.23)	(41.11)
Share of other comprehensive income of joint venture accounted for using the equity method		(4.54)	(0.23)
Income tax relating to these items		93.95	117.65
Other comprehensive income for the period (net of tax)		**(223.85)**	**(366.77)**
Total comprehensive income for the period (net of tax)		**8,467.46**	**11,914.61**
Earnings per equity share	43		
Basic earnings per share (INR)		42.05	59.42
Diluted earnings per share (INR)		42.05	59.42

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

Summary of Significant Accounting Policies	1 to 2
Notes to Financial Statements	3 to 53

Auditor's Report

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Place : Delhi
Date : June 25, 2020

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

(A) Equity share capital (Refer note 13)

Particulars	Amount
As at April 1, 2018	2,066.78
Changes in equity share capital	-
As at March 31, 2019	2,066.78
Changes in equity share capital	-
As at March 31, 2020	2,066.78

(B) Other equity (Refer note 14)

Particulars	Reserves and surplus			Other reserves	Total Other Equity
	Securities premium	General reserve	Retained earnings	FVTOCI reserve - equity instruments	
Balance at April 1, 2018	**10,410.18**	**3,201.52**	**38,708.66**	**396.97**	**52,717.33**
Profit for the year			12,281.38	-	12,281.38
Other comprehensive income (Net of taxes)			(26.91)	(339.86)	(366.77)
Total comprehensive income for the period			12,254.47	(339.86)	11,914.61
Final dividend paid during the year			(413.35)		(413.35)
Tax on Final dividend paid			(84.99)		(84.99)
Balance at March 31, 2019	**10,410.18**	**3,201.52**	**50,464.79**	**57.11**	**64,133.60**
Profit for the year			8,691.31	-	8,691.31
Other comprehensive income (Net of taxes)			(114.13)	(109.72)	(223.85)
Total comprehensive income for the period			**8,577.18**	**(109.72)**	**8,467.46**
Final dividend paid during the year			(413.35)		(413.35)
Tax on Final dividend paid			(84.99)		(84.99)
Interim dividend paid during the year			(826.70)		(826.70)
Tax on Interim dividend paid			(169.93)		(169.93)
Balance at March 31, 2020	**10,410.18**	**3,201.52**	**57,546.99**	**(52.61)**	**71,106.08**

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

Summary of Significant Accounting Policies	1 to 2
Notes to Financial Statements	3 to 53

Auditor's Report

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For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N
Place : Delhi
Date : June 25, 2020

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

FOR AND ON BEHALF OF THE BOARD

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DIN: 00577015

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NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(A) Cash Flow From Operating Activities		
Net profit before tax	**11,133.36**	**15,341.35**
Adjustment on account of		
- Share of Net Profit of Joint Venture	(87.25)	(40.71)
- Depreciation	2,407.20	1,968.10
- (Profit)/ Loss on Sale of Assets	37.22	49.55
- Miscellaneous Expenses	6.34	6.34
- Miscellaneous Income	(5.59)	-
- Interest Income	(142.30)	(41.07)
- Dividend Income	(10.16)	(9.10)
- Interest Expenses	2,388.98	1,522.20
- Bad debts written off	6.34	23.08
- Provision for impairment of trade receivables	225.64	123.08
- Derivative (gain) / loss	(64.40)	129.08
- Unrealised exchange differences	(8.40)	5.52)
Operating Profit Before Working Capital Changes	**15,886.98**	**19,066.38**
Adjustments for		
- (Increase)/Decrease in security deposits	(1.85)	33.48
- (Increase)/Decrease in inventories	18,584.16	(29,781.70)
- (Increase)/Decrease in trade receivables	(7,785.82)	(1,089.85)
- (Increase)/Decrease in loans	8.79	(10.65)
- (Increase)/Decrease in other financialassets	(92.61)	(112.19)
- (Increase)/Decrease in other current assets	2,923.41	(3,099.49)
- (Increase)/Decrease in provisions	(17.32)	82.21
- Increase/(Decrease) in trade payables	(3,330.82)	3,650.95
- Increase/(Decrease) in other financial liabilities	364.55	404.80
- Increase/(Decrease) in other current liabilities	856.11	721.87
Cash generated from operations	**27,395.58**	**(10,134.19)**
Less: Income tax paid	(3,210.32)	(3,179.27)
Net Cash Flow from Operating Activities (A)	**24,185.26**	**(13,313.46)**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets	(2,902.23)	(3,790.50)
- Proceeds from sale of property plant and equipment	59.09	46.08
- Interest received	104.82	41.07
- Proceeds from / (investment in) bank deposits	(614.75)	23.64
- Inter Corporate Loans (Given) / Received back	935.00	(1,227.58)
- Dividends received	9.27	8.20
Net Cash Flow used in Investing Activities (B)	**(2,408.80)**	**(4,899.09)**
(C)Cash Flow From Financing Activities		
- Repayment of long term borrowings	(608.95)	(742.59)
- Proceeds/(Repayment) from/of short term borrowings	(11,160.62)	19,832.58
- Repayment of lease liabilities	(161.18)	-
- Interest paid	(2,471.77)	(1,441.25)
- Dividend paid (including dividend distribution tax)	(1,494.98)	(498.34)
Net Cash Flow (used in) / from Financing Activities (C)	**(15,897.50)**	**17,150.40**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**5,878.96**	**(1,062.15)**
Cash and Cash Equivalents at the beginning of the year	894.17	1,956.32
Cash and Cash Equivalents at the end of the year	**6,773.13**	**894.17**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
On current accounts	4,243.04	885.34
Cash on hand	9.03	8.83
Deposits with original maturity upto three months	2,521.06	-
Total cash and cash equivalents	**6,773.13**	**894.17**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2019	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2020
Long term borrowings (including current maturities)	1,003.20	(608.95)	-	-	394.25
Lease liabilities (including current maturities)	680.15	(161.18)	-	(149.94)	369.03
Short term borrowings	29,517.24	(11,160.62)	(8.40)	-	18,348.22
	31,200.59	**(11,930.75)**	**(8.40)**	**(149.94)**	**19,111.50**
Particulars	**As at April 1, 2018**	**Cash flows**	**Unrealised exchange difference**	**Other non cash changes**	**As at March 31, 2019**
Long term borrowings (including current maturities)	1,759.45	(742.59)	(13.66)	-	1,003.20
Short term borrowings	9,676.25	19,832.58	8.41	-	29,517.24
	11,435.70	**19,089.99**	**(5.25)**	-	**30,520.44**

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

Summary of Significant Accounting Policies	1 to 2
Notes to Financial Statements	3 to 53

Auditor's Report

As per our separate report of even date annexed herewith

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N
Place : Delhi
Date : June 25, 2020

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

FOR AND ON BEHALF OF THE BOARD

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Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Notes to consolidated financial statements for the year ended March 31, 2020

1. Corporate Information

Insecticides (India) Limited ("The Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act. The shares of the Company are listed in India on the Bombay Stock Exchange Limited and National Stock Exchange. The registered office of the Company is located at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi, 110033. The Group is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Group caters to both domestic and international markets.

OAT and IIL India Laboratories Private Limited was incorporated on March 6, 2013, as per joint venture agreement dated December 26, 2012 between OAT Agrio Co., Ltd., Japan and the Company (co-venturers), to undertake Scientific and Technical Research Experiment, Product Development, Bio-equivalency Studies and Developing New Chemical Entities (NCEs) for the co-venturers.

Insecticides (India) Limited together with OAT & IIL India Lab (P) Ltd. is hereinafter referred to as the "Group".

The Group's financial statements were authorised for issue in accordance with a resolution of the directors on June 25, 2020.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provision of the Act.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount

(a) Derivative financial instruments

(b) Plan assets of defined employee benefit plans

(c) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency and all values are rounded to the nearest lacs, except when otherwise indicated. Figures appearing as "0.00" represent amounts below INR 500.

2.2. Basis of consolidation

Joint venture

(a) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.

(b) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and other comprehensive income of the investee in the Statement of Profit and Loss and Other Comprehensive Income of the Group, respectively. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

(c) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

(d) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the Group.

(e) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.

(f) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as an associate or as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

(g) With respect to consolidation of OAT and IIL India Laboratories Private Limited, the Group has considered the ownership ratio of 20% as prescribed in the joint venture agreement for recognising its share of profits/losses.

2.3. Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle.

b) It is held primarily for the purpose of trading.

c) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

(b) Revenue recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is stated exclusive of Goods and Service Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

Sales of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

In respect of Company's Joint Venture

Revenue from Research & Development services are recognized when services are rendered and related cost is incurred over a period of time.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section(m) financial instruments.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other income

Interest Income

For all financial instruments measured either at amortised cost or fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Property, plant and equipment

Items of property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the assets.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on remaining items of property, plant & equipment has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Nature of Tangible Assets	Useful Life (years)
Plant &Equipments	10 – 15
Building	30
Laboratory Equipments	10
Office Equipments	5
Furniture, Fixtures & Equipments	10
Vehicles	8-10
Leasehold improvements	Over the period of lease or useful life whichever is lower

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

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

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Group's intangible assets is as follows:-

Intangible assets	Useful Life (years)	Amortisation method used
Computer Software	8	Amortised on straight-line basis
Websites	2	Amortised on straight-line basis
Patents, trademarks and designs	10	Amortised on straight-line basis

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Foreign currencies

Transactions and Balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the Statement of Profit and Loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets.

(g) Fair value measurement

The Group measures financial instruments, such as, derivatives and equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (note 34)
- Financial instruments (including those carried at amortised cost)(note 7, 11, 15 and 18)

(h) Leases

Ind AS 116 Leases issued by Ministry of Corporate Affairs is applied by the Group as of April 1, 2019. The Group decided to apply the modified retrospective approach, whereby previous year's consolidated financial statements are not restated. (Refer note 50)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group has lease contracts for various items of land, office premises, warehouses and vehicles.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of Right-of-use assets	Depreciation period
Office premises	3-5 years
Warehouses	3-5 years
Land	60-198 years

There are renewal terms that can extend the lease term for up to 2 years and are included in the lease term when it is reasonably certain that the Group will exercise the option. The right-of-use assets are also subject to impairment.

The Right-of-use assets are presented as separate line item in the balance sheet.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The lease liabilities are presented as separate line item in the balance sheet under financial liabilities.

iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises, warehouses and vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(i) 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. Fixed production overheads are based on normal capacity of production facilities.

Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value.

Traded goods are valued at lower of cost and net realizable value.

Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(k) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(l) Retirement and other employee benefits

Provident Fund and Employee State Insurance is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is unfunded.

Re-measurement, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Debt instruments at amortised cost

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security deposits & other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade and other receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

c) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates the following provision matrix at the reporting date:

Not due	0-90 days	90-180 days	180-360 days	360-720 days	More than 720 days
0.11%	0.20%	0.50%	5.00%	50.00%	100.00%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credits and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information refer note 15 and 18

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, currency swaps, options and forward contracts to hedge its interest rate and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(q) Dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

(t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. The Group has identified the Managing Director as the CODM who assesses the financial performance and makes strategic decisions. Refer note 38 for segment information presented.

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Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

3 Property, plant and equipment and capital work-in-progress Property, Plant and equipment

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2019	Addition	Sale / Adjustment / Reclassification*	Balance as at March 31, 2020	Balance as at April 01, 2019	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments/ Reclassification*	Balance as at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Finance lease assets - Land	2,116.12	-	2,116.12	-	13.72	-	13.72	-	-	2,102.40
Buildings	7,543.69	777.60	-	8,321.29	677.10	265.96	-	943.06	7,378.23	6,866.59
Plant and machinery	15,606.35	261.22	11.09	15,856.48	3,222.96	1,394.43	3.44	4,613.95	11,242.53	12,383.39
Roads	1,330.39	-	-	1,330.39	461.15	153.72	-	614.87	715.52	869.24
Office equipments	122.11	4.39	0.94	125.56	51.90	21.00	0.78	72.12	53.44	70.21
Furniture & fixtures	216.26	14.61	-	230.87	61.63	23.10	-	84.73	146.14	154.63
Electrical fittings	355.52	0.08	-	355.60	129.12	48.91	-	178.03	177.57	226.40
Computers	202.58	13.46	0.55	215.49	84.69	33.42	0.46	117.65	97.84	117.89
Vehicles	1,140.23	405.90	170.34	1,375.79	304.46	159.91	81.93	382.44	993.35	835.77
Total	**28,721.76**	**1,477.26**	**2,299.04**	**27,899.98**	**5,006.73**	**2,100.45**	**100.33**	**7,006.85**	**20,893.13**	**23,715.03**

*Reclassification represents net carrying amount of Finance lease assets as on April 1, 2019 reclassified to Right of Use Assets on transition to Ind AS 116 (Refer note 49)

3 Property, plant and equipment and capital work-in-progress Property, Plant and equipment

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2018	Addition	Sale / Adjustment	Balance as at March 31, 2019	Balance as at April 01, 2018	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments	Balance as at March 31, 2019	As at March 31, 20190	As at March 31, 2018
Freehold land	84.54	3.97	-	88.51	-	-	-	-	88.51	84.54
Finance lease assets - Land	2,001.72	114.40	-	2,116.12	9.13	4.59	-	13.72	2,102.40	1,992.59
Buildings	7,333.11	210.58	-	7,543.69	420.16	256.94	-	677.10	6,866.59	6,912.95
Plant and machinery	13,563.86	2,052.87	10.38	15,606.35	1,986.49	1,238.88	2.41	3,222.96	12,383.39	11,577.37
Roads	1,330.39	-	-	1,330.39	307.43	153.72	-	461.15	869.24	1,022.96
Office equipments	87.42	34.69	-	122.11	34.15	17.75	-	51.90	70.21	53.27
Furniture & fixtures	185.34	30.92	-	216.26	41.98	19.65	-	61.63	154.63	143.36
Electrical fittings	296.75	58.77	-	355.52	85.39	43.73	-	129.12	226.40	211.36
Computers	112.41	90.35	0.18	202.58	63.04	21.72	0.07	84.69	117.89	49.37
Vehicles	1,009.65	276.88	146.30	1,140.23	219.77	143.44	58.75	304.46	835.77	789.88
Total	**26,005.19**	**2,873.43**	**156.86**	**28,721.76**	**3,167.54**	**1,900.42**	**61.23**	**5,006.73**	**23,715.03**	**22,837.65**

Capital Work In Progress

Cost	Amount
As at April 1, 2018	**1,268.32**
Additions	2,262.14
Capitalised during the year	(2,259.04)
As at March 31, 2019	**1,271.42**
As at April 1, 2019	**1,271.42**
Additions	2,018.01
Capitalised during the year	(1.02)
As at March 31, 2020	**3,288.41**

a) Contractual obligations - Refer to note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) Capital work-in-progress - Capital work in progress majorly comprises expenditure in the course of construction at Dahej Plant.

c) Assets charged against borrowings - Refer note 43 for property, plant and equipment pledged as security against current and non-current borrowings.

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

4. Right-of-Use Assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance at April 1, 2019	Additions/ Modifications during the year	Disposal / Derecognition during the year	Balance at March 31, 2020	Balance at April 1, 2019	Depreciation expense	Disposal / Derecognized during the year	Balance at March 31, 2020	Balance at March 31, 2020	Balance at April 1, 2019
Land	2,102.40	105.57	-	2,207.97	-	14.67	-	14.67	2,193.30	2,102.40
Office remises	240.93	-	126.92	114.01	-	68.63	21.20	47.43	66.58	240.93
Warehouses	439.22	45.16	88.19	396.19	-	145.73	4.39	141.34	254.85	439.22
Total	**2,782.55**	**150.73**	**215.11**	**2,718.17**	**-**	**229.03**	**25.59**	**203.44**	**2,514.73**	**2,782.55**

5 Intangible assets and intangible assets under development

Intangible assets

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2019	Addition	Sale / Adjustment	Balance as at March 31, 2020	Balance as at April 01, 2019	Amortisation for the year		Balance as at March 31, 2020	As at March 31, 2020	As at March 31, 2019
						Amortisation	Disposal / adjustment			
Software	152.09	34.10	-	186.19	70.28	27.80	-	98.08	88.11	81.81
Website	1.65	-	-	1.65	0.42	0.83	-	1.25	0.40	1.23
Patents, trademarks and designs	328.38	240.58	-	568.96	106.47	49.09	-	155.56	413.40	221.91
Total	**482.12**	**274.68**	**-**	**756.80**	**177.17**	**77.72**	**-**	**254.89**	**501.91**	**304.95**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as on April 01, 2018	Addition	Sale / Adjustment	Balance as on March 31, 2019	Balance as on April 01, 2018	Amortisation for the year		Balance as on March 31, 2019	As on March 31, 2019	As on March 31, 2018
						Amortisation	Disposal / adjustment			
Software	133.46	18.63	-	152.09	44.67	25.61	-	70.28	81.81	88.79
Website	-	1.65	-	1.65	-	0.42	-	0.42	1.23	-
Patents, trademarks and designs	295.35	33.03	-	328.38	64.82	41.65	-	106.47	221.91	230.53
Total	**428.81**	**53.31**	**-**	**482.12**	**109.49**	**67.68**	**-**	**177.17**	**304.95**	**319.32**

Intangible assets under development

Cost	Amount
As at April 1, 2018	**413.91**
Additions	268.11
Capitalised during the year	(53.31)
As at March 31, 2019	**628.71**

As at April 1, 2019	**628.71**
Additions	253.36
Capitalised during the year	(274.58)
As at March 31, 2020	**607.49**

Intangible assets under development mainly comprises mobile application, HR module under development and patents for which registration is awaited.

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

6	**Investment in joint venture**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Investment in unquoted equity shares - Fully paid-up*		
	795,000 {(March 31, 2019:795,000) Equity Shares of OAT & IIL India Lab.(P) Ltd. ath INR 100 Each	944.48	860.63
	Total	**944.48**	**860.63**
	*refer note 37		
7	**Financial assets - non-current**		
7(a)	**Investments**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Investments stated at Fair Value through OCI		
	Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
	36,400 {(March 31, 2019: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company)	244.97	388.01
	Total	**244.97**	**388.01**
	Aggregate book value of quoted investments	244.97	388.01
	Aggregate market value of quoted investments	244.97	388.01
7(b)	**Other financial assets**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
	Deposits having maturity of more than twelve months	31.95	29.82
	Security deposits	128.87	127.02
	Total	**160.82**	**156.84**
8	**Non-current tax assets (net)**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Advance income tax	1,396.89	454.90
	[Net of provision for tax INR 2,258.65 (March 31, 2019: INR 3,288.29)]		
	Total	**1,396.89**	**454.90**
9	**Other non-current assets**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	(Unsecured, considered good unless otherwise stated)		
	Capital advances		
	-to related parties (refer note 39)	-	610.93
	-to others	682.22	690.06
	Advances other than Capital Advances		
	Balances with government authorities	346.42	230.35
	Prepaid expenses	27.47	-
	Total	**1,056.11**	**1,531.34**
10	**Inventories**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	At the lower of cost and net realisable value		
	Raw Material {INR 481.14 (March 31, 2019: INR 2,444.18) in transit}	17,033.79	18,501.32
	Packing material {INR 20.54 (March 31, 2019: INR 10,90) in transit}	1,521.91	1,376.58
	Work-in-progress	7,110.33	6,742.27
	Stock-in-trade (Traded Goods)	890.91	2,487.46
	Finished goods (Manufactured) {(INR 1,608.90 (March 31, 2019: INR 2,183.27) in ransit}	25,216.93	41,237.59
	Stores, Scrap material, Spares Parts & Fuel {INR 0.73 (March 31, 2019: INR 35.84) in ransit}	152.61	165.43
	Total	**51,926.48**	**70,510.65**

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

11	Financial assets - current		
11(a)	**Trade Receivables**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Trade receivables		
	- to related parties (refer note 39)	71.72	1,215.17
	- to others	32,659.39	23,736.46
	Less: Impairment of Trade Receivables	(752.38)	(526.74)
	Total (refer note 47)	**31,978.73**	**24,424.89**
	Breakup of Trade Receivables		
	Unsecured, considered good	31,978.73	24,424.89
	Credit Impaired	752.38	526.74
	Subtotal	**32,731.11**	**24,951.63**
	Impairment of Trade Receivables (refer note 35)	(752.38)	(526.74)
	Total	**31,978.73**	**24,424.89**
	- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.	-	-
	- Trade or Other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.	18.12	-
	- Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days. - For explanations on the Group's credit risk management processes, refer note 35		
11(b)	**Cash and cash equivalents**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Balances with banks		
	On current accounts	4,243.04	885.34
	Cash on hand	9.03	8.83
	Deposits with original maturity upto three months	2,521.06	-
	Total	**6,773.13**	**894.17**
11(c)	**Other bank balances**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	In earmarked accounts		
	Unpaid dividend	4.57	4.05
	Deposits with remaining maturity between three and twelve months*	638.40	25.78
	Total	**642.97**	**29.83**

*The fixed deposits made with banks had been given as margin money against Bank Guarantee/ Letter of credit.

11(d)	**Loans**			
	Particulars	**Interest rate**	**As at March 31, 2020**	**As at March 31, 2019**
	Unsecured, considered good			
	Loans to employees	-	7.82	16.61
	Inter Corporate Loans (refer note 50)	12%	265.00	1,200.00
	Total		**272.82**	**1,216.61**
	Loans due from directors or other officers of the Company at the end of the period		Nil	Nil

11(e)	**Other financial assets**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Measured at fair value through profit and loss		
	Derivative assets	18.76	4.10
	Measured at amortised cost (unsecured, considered good)		
	Dividend receivable	8.61	7.71
	Insurance claim recoverable	80.95	-
	Interst accrued on inter corporate loans	65.05	27.58
	Litigation charges recoverable	19.60	19.60
	Export incentive recoverable	126.02	97.33
	Interest subsidy recoverable	285.25	302.28
	Total	**604.24**	**458.60**

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

12	**Other current assets**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	(Unsecured, considered good unless otherwise stated)		
	Advances to suppliers		
	-to related parties (refer note 39)	630.78	357.65
	-to others	756.13	522.55
	Advances to employees	20.31	17.14
	Balances with government authorities	4,093.62	7,683.19
	Prepaid expenses	133.95	127.55
	Total	**5,634.79**	**8,708.08**
	Advance due from Directors or other officers at the end of the year/ period	Nil	Nil
	Advance due by Firms or Private Companies in which any Director of the Group is a Director or member	4.97	1.98
13	**Equity share capital**		
	Authorised share capital	**Number of shares**	**INR**
	As at April 1, 2019	**25,000,000**	**2,500.00**
	Increase/(decrease) during the year	-	-
	At March 31, 2020	**25,000,000**	**2,500.00**
	Issued equity share capital	**Number of shares**	**INR**
	Equity shares of INR 10 each issued, subscribed and fully paid.		
	As at April 1, 2019	**20,667,796**	**2,066.78**
	Increase/(decrease) during the year	-	-
	At March 31, 2020	**20,667,796**	**2,066.78**
	(a) Rights, preferences and restrictions attached to shares :		

The Group has only one class of equity shares having face value of INR 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Group, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amount, in proportion to their shareholding.

The Group has declared INR 4/- per share as Interim Dividend and paid the same on March 25, 2020.

(b) The details of Shareholders holding more than 5% shares:	**As at March 31, 2020**		**As at March 31, 2019**	
Name of the Shareholder	**Number of Shares**	**% Held**	**Number of Shares**	**% Held**
Rajesh Aggarwal	5,321,916	25.75	5,292,900	25.61
Pushpa Aggarwal	2,151,900	10.41	2,151,900	10.41
Rajesh Aggarwal (HUF)	1,953,000	9.45	1,953,000	9.45
Hari Chand Aggarwal (HUF)	1,494,000	7.23	1,494,000	7.23
Nikunj Aggarwal	1,125,000	5.44	1,125,000	5.44

(c) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date

The company has alloted 63,41,483 number of Equity Shares as Bonus Shares on April 25, 2015 in the ratio of 2:1 and the same got listed on May 8, 2015.

14	**Other equity**		
	a) Reserves and surplus		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Retained earnings	57,546.99	50,464.79
	Securities premium	10,410.18	10,410.18
	General reserve	3,201.52	3,201.52
	Total reserves and surplus	71,158.69	64,076.49
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	(i) Retained earnings		
	Opening balance	50,464.78	38,708.66
	Profit for the year	8,691.31	12,281.38
	Items of other comprehensive income recognised directly in retained earnings		
	Remeasurements of net defined benefit plans, net of tax	(114.13)	(26.91)
	Final dividend paid during the year	(413.35)	(413.35)
	Tax on Final dividend paid	(84.99)	(84.99)
	Interim dividend paid during the year	(826.70)	-
	Tax on Interim dividend paid	(169.93)	-
	Closing balance	**57,546.99**	**50,464.79**

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

	Particulars	As at March 31, 2020	As at March 31, 2019
	(ii) Securities premium		
	Opening balance	10,410.18	10,410.18
	Additions during the year	-	-
	Closing balance	**10,410.18**	**10,410.18**
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	(iii) General reserve		
	Opening balance	3,201.52	3,201.52
	Add: Appropriations	-	-
	Closing balance	**3,201.52**	**3,201.52**
	Total reserves and surplus	**71,158.69**	**64,076.49**
	b) Other reserves		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	FVTOCI reserve - equity instruments	(52.61)	57.11
	Total other reserves	**(52.61)**	**57.11**
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	i) FVTOCI reserve - equity instruments		
	Opening balance	57.11	396.97
	Change in fair value of FVTOCI equity instruments	(109.72)	(339.86)
	Closing balance	**(52.61)**	**57.11**
	The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 31		
	Total other equity	**71,106.08**	**64,133.60**

Nature and purpose of reserves

a) Retained earnings - Retained earnings is used to represent the accumulated net earnings of the Group after accounting for dividends or other distributions to the investors of the Group as per the provisions of the Companies Act, 2013.

b) Securities premium - Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Group may use this reserve for issuing fully paid-up bonus shares, buy-back of shares and for expenses in relation to issue of shares.

c) General reserve - General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares. No amount has been transferred to general reserve during the years ended March 31, 2020 & March 31, 2019.

d) FVTOCI reserve-equity instruments - The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve within equity when the relevant equity securities are derecognised.

15 Financial liabilities - Non Current

15(a) Borrowings

	Particulars	As at March 31, 2020	As at March 31, 2019
	Secured		
	Indian Rupee loan from banks		
	Term loans	-	682.35
	Vehicle loans	394.25	320.85
	Total	**394.25**	**1,003.20**
	Less: Current maturities of long-term debt (included in note 18(c))	203.72	871.60
	Non-current borrowings (as per balance sheet)	**190.53**	**131.60**

Nature of Security and terms of repayment for secured borrowing :

a) Indian rupee term loan

The Indian Rupees Term Loans outstanding amounts to INR NIL (March 31, 2019 - INR 682.35) had 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 had been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

b) Vehicle loans

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 8.40% to 9.70% per annum.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 44.

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

15(b)	Lease liabilities		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Current	192.72	-
	Non-current	176.31	-
	Total	**369.03**	-

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at March 31, 2020
Balance at April 1, 2019	**680.15**
Accretion of interest	54.31
Addition in lease liability	38.92
Repayment of lease liability	(215.49)
Derecognition of lease liability	(188.86)
Balance at March 31, 2020	**369.03**

The maturity analysis of the lease liability is included in the refer note 35.

The effective interest rate for lease liabilities is 11%, with maturity between 2020-25.

16 Long term provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit provisions		
Provision for gratuity	4.48	-
Provision for leave encashment	99.40	74.93
Total	**103.88**	**74.93**

Refer note 20 for disclosure of employee benefits.

17 Deferred tax liabilities (Net)

Particulars	As at April 1, 2019	Charge/ (credit) to Statement of Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2020
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(2,208.96)	89.74	-	-	(2,298.70)
Derivatives	(1.43)	5.12	-	-	(6.55)
Right-of-use asset	-	112.32	-	-	(112.32)
Total deferred tax liabilities	**(2,210.39)**	**207.18**	**-**	**-**	**(2,417.57)**
Deferred tax assets					
MAT credit	211.12	-	-	211.12	-
Investments	(17.35)	-	(33.32)	-	15.97
Impairment of Trade Receivables	184.06	(78.85)	-	-	262.91
Derivatives	42.75	17.38	-	-	25.37
Borrowings	2.94	2.94	-	-	-
Lease liabilities	-	(119.05)	-	-	119.05
Employee benefit provisions	-	(126.49)	-	-	126.49
Total deferred tax assets	**423.52**	**(304.07)**	**(33.32)**	**211.12**	**549.79**
Net deferred tax liabilities	**(1,786.87)**	**(96.89)**	**(33.32)**	**211.12**	**(1,867.78)**

Particulars	As at April 1, 2018	Charge/(credit) to Statement of Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2019
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(1,905.92)	303.04	-	-	(2,208.96)
Derivatives	(4.94)	(3.51)	-	-	(1.43)
Investments	(120.57)	-	(103.22)	-	(17.35)
Total deferred tax liabilities	**(2,031.43)**	**299.53**	**(103.22)**	**-**	**(2,227.74)**
Deferred tax assets					
MAT credit	-	-	-	(211.12)	211.12

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

	Particulars	As at April 1, 2018	Charge/ (credit) to Statement of Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2019
	Impairment of Trade Receivables	141.06	(43.00)	-	-	184.06
	Derivatives	1.24	(41.51)	-	-	42.75
	Borrowings	4.77	1.83	-	-	2.94
	Total deferred tax assets	**147.07**	**(82.68)**	**-**	**(211.12)**	**440.87**
	Net deferred tax liabilities	**(1,884.36)**	**216.85**	**(103.22)**	**(211.12)**	**(1,786.87)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

18 Financial Liabilities - Current

18(a) Borrowings

Particulars	Maturity date	Interest rate	As at March 31, 2020	As at March 31, 2019
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr 20- Sep 20	7.80%-10.15%	15,272.06	13,400.00
FCNR Loans (USD)	-	-	-	1,208.40
Cash credit from banks	On demand	10.95%	2,852.88	12,593.46
Buyers Credit Loans (USD)	Apr-20	3.09%	108.98	2,265.09
Cheques sent for collection	Apr-20	-	114.30	50.29
Total			**18,348.22**	**29,517.24**

Working Capital Loans (Loans repayable on demand, Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over present and future stock & book debts and moveable property, plant and equipment of the Group. These loans are additionally secured by equitable mortgage on pari passu basis over Lands & Buildings of the Group and negative lien on Group's office at Azad Pur (Delhi). Further, these loans have been guaranteed by the personal guarantee of the directors -Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 44.

18(b) Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
- to related parties (refer note 39)	172.36	3,219.72
- to others	24,483.42	24,766.88
Total	**24,655.78**	**27,986.60**

Particulars	As at March 31, 2020	As at March 31, 2019
(A) total outstanding due of micro, small & medium enterprises; and	1,178.57	566.74
(B) total outstanding dues of creditors other than micro enterprises, small & medium enterprises	23,477.21	27,419.86
Total	**24,655.78**	**27,986.60**

Trade payables are non-interest bearing and are settled on agreed terms.

Refer note 46 for disclosure pertaining to Micro, Small & Medium Enterprises Development Act, 2006.

18(c) Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities at amortised cost		
Current maturities of long-term borrowings (refer note 15(a))	203.72	871.60
Security deposits received from customers	725.41	633.13
Creditors for capital expenditure	466.85	134.57
Interest accrued on borrowings	19.67	102.47
Employee payables		
- to related parties (refer note 39)	118.44	165.40
- to others	1,299.92	980.69
Unpaid dividend account	4.57	4.05
Financial liabilities at fair value through profit and loss		
Derivative liabilities	72.58	122.33
Total	**2,911.16**	**3,014.24**

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

19	**Other current Liabilities**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Advances from customers (refer note 47)	7,174.31	6,228.54
	Statutory dues	390.44	480.10
	Total	**7,564.75**	**6,708.64**
20	**Short term provisions**		
	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
	Employee benefit provisions		
	Provision for gratuity	253.37	130.93
	Provision for leave encashment	4.74	3.23
	Total	**258.11**	**134.16**
	(a) Defined contribution plan		
	During the year, the Group has recognised the following amounts in the Statement of Profit and Loss: (note 25)	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Employer's Contribution to Employee's Provident Fund (including admin charges)	364.60	293.10
	Employer's Contribution to Employee's State Insurance	28.03	36.16
	Total	**392.63**	**329.26**
	(b) Defined benefit plan		
	(i) Gratuity		

The Group has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Group provides for the liability in its books of accounts based on the actuarial valuation by applying the Projected Unit Credit Method. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The principal assumptions used in determining gratuity benefit obligations for the Group's plan are shown below:	**As at March 31, 2020**	**As at March 31, 2019**
Rate of Discounting	6.82%	7.79%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	IALM (2006-08)	IALM (2006-08)
Changes in the present value of the defined benefit obligation are as follows:	**As at March 31, 2020**	**As at March 31, 2019**
Opening defined benefit obligation	627.90	526.06
Interest cost	48.91	41.35
Current service cost	72.49	61.09
Past service cost	-	-
Benefits paid	(22.71)	(40.14)
Actuarial (gain) / loss		
Due to change in financial assumptions	74.27	3.95
Due to change in experience	70.16	35.59
Closing defined benefit obligation	**871.02**	**627.90**
Changes in the Fair Value of Plan Assets are as follows:	**As at March 31, 2020**	**As at March 31, 2019**
Fair Value of Plan Assets at the Beginning of the Period	496.97	498.97
Interest Income	38.71	39.22
Contributions by the Employer	126.00	0.50
Benefits paid	(22.71)	(40.14)
Return on Plan Assets, Excluding Interest Income	(25.80)	(1.58)
Fair Value of Plan Assets at the End of the Period	**613.17**	**496.97**
Reconciliation of fair value of plan assets and defined benefit obligation:	**As at March 31, 2020**	**As at March 31, 2019**
Present value of defined benefit obligation	(871.02)	(627.90)
Fair value of plan assets	613.17	496.97
Plan asset / (liability)	**(257.85)**	**(130.93)**

Notes to Consolidated financial statements for the year ended March 31, 2020 (All amounts in INR in 'Lacs', unless mentioned otherwise)

Expenses recognised in profit and loss	Year ended March 31, 2020	Year ended March 31, 2019
Net interest cost	10.20	2.13
Current service cost	72.49	61.09
Past service cost	-	-
Net expense *	**82.69**	**63.22**
* Includes INR 8.50 (March 31, 2019 - INR 3.55) transfer to Research & Development Expenditure		

Expenses recognised in other comprehensive income	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (gain) / loss on defined benefit obligation	144.43	39.54
Return on Plan Assets, excluding Interest Income	25.80	1.58
Total expense recognised in statement of other comprehensive income	**170.23**	**41.12**

Major categories of plan assets of the fair value of the total plan assets	As at March 31, 2020		As at March 31, 2019	
	Total	**In %**	**Total**	**In %**
Insurance fund	613.17	100%	496.97	100%
Total	**613.17**	**100%**	**496.97**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:	Year ended March 31, 2020	Year ended March 31, 2019
Defined benefit obligation (base)	871.02	627.90
Change in discount rate		
Increase by 1%	(76.38)	(52.56)
Decrease by 1%	90.13	61.48
Change in rate of salary increase		
Increase by 1%	89.95	61.74
Decrease by 1%	(77.44)	(53.54)
Change in rate of employee turnover		
Increase by 1%	12.23	14.09
Decrease by 1%	(14.20)	(16.11)

The following payments are expected contributions to the defined benefit plan in future years:	As at March 31, 2020	As at March 31, 2019
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	114.04	68.46
Between 1 and 5 years	187.06	145.50
Between 5 and 10 years	316.53	257.79
More than 10 years	1,381.62	1,107.12

(c) Risk exposure

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

21 Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products		
Finished goods	1,27,142.77	1,09,056.95
Traded goods	7,873.30	9,214.09
Total	**1,35,016.07**	**1,18,271.04**
Other operating revenue		
Revenue from Job Work	60.37	196.91
Sale of scrap & others	82.83	62.94
Government Grants *	1,162.69	820.05
Total revenue from operations	**1,36,321.96**	**1,19,350.94**

* Includes GST Refund under Budgetery Support Scheme. As per the Scheme eligible units (Samba and Udhampur in Jammu & Kashmir) are entitled to receive refund of the Goods and Services Tax paid by the unit.

a) Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Geography

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Within India	1,28,601.55	1,12,249.80
Outside India	6,414.52	6,021.24
Total	**1,35,016.07**	**1,18,271.04**

Timing of revenue recognition

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
At a point in time		
Sale of finished goods	1,27,142.77	1,09,056.95
Sale of traded goods	7,873.30	9,214.09
Total	**1,35,016.07**	**1,18,271.04**

b) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contract	1,49,831.89	1,29,690.85
Adjustments for variable consideration:		
Discounts and rebates	(14,815.82)	(11,419.81)
Revenue from contracts with customers	**1,35,016.07**	**1,18,271.04**

c) Aggregate amount of the Transaction Price allocated to Performance Obligations that are unsatisfied at end of the year:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advance from Customers* (refer note 47)	7,174.31	6,228.54
Revenue recognised from amounts included in advance from customers at beginning of the year	6,228.54	5,664.94

Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Group performs under the contract.

*For March 31, 2020, management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year.

22 Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income		
Fixed deposits with banks	26.54	5.67
Other assets	115.76	35.40
Dividend income from equity investments designated at fair value through other comprehensive income	10.16	9.10
Other non-operating income		
Miscellaneous income	39.69	24.20
Net gain on fair value changes		
Derivatives at FVTPL	64.40	-
Total other income	**256.55**	**74.37**

* All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

23 Cost of raw material and components

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Raw Material		
	Inventory at the beginning of the year	18,501.32	15,515.06
	Add: Purchases	70,369.53	96,225.25
		88,870.85	111,740.31
	Less: inventory at the end of the year	17,033.79	18,501.32
	Cost of raw material consumed	**71,837.06**	**93,238.99**
	Packing Material		
	Inventory at the beginning of the year	1,376.58	1,329.89
	Add: Purchases	7,392.15	9,724.49
		8,768.73	11,054.38
	Less: inventory at the end of the year	1,521.91	1,376.58
	Cost of Packing material consumed	**7,246.82**	**9,677.80**
	Total Cost of raw material and components consumed	**79,083.88**	**1,02,916.79**

24 (Increase)/Decrease in inventories

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Inventories at the end of the year		
	Finished goods	25,216.93	41,237.59
	Semi-finished goods	7,110.33	6,742.27
	Traded goods	890.91	2,487.46
		33,218.17	**50,467.32**
	Inventories at the beginning of the year		
	Finished goods	41,237.59	17,582.85
	Semi-finished goods	6,742.27	3,229.09
	Traded goods	2,487.46	2,959.94
		50,467.32	**23,771.88**
	Total (Increase)/Decrease in inventories	**17,249.15**	**(26,695.44)**

	Details of inventory	Year ended March 31, 2020	Year ended March 31, 2019
	Traded goods		
	Powder	168.58	630.55
	Liquid	476.78	1,071.97
	Granules	245.55	784.94
	Total	**890.91**	**2,487.46**
	Finished goods		
	Liquid	18,711.02	26,974.86
	Powder	2,289.46	3,939.65
	Granules	1,467.86	6,723.55
	Technicals	2,748.59	3,599.53
	Total	**25,216.93**	**41,237.59**

25 Employee benefit expenses

	Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
	Salaries, wages and bonus		6,831.28	5,960.51
	Contribution to provident and other funds	20	392.71	329.32
	Gratuity expense	20	74.19	59.67
	Staff welfare expenses		176.05	169.03
	Total employee benefit expenses		**7,474.23**	**6,518.53**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

26 Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	82.89	155.57
Interest on CC Limits, buyer's credit and demand loans	1,891.68	1,041.45
Interest on Lease Liabilities	54.31	-
Interest (Others)	27.30	41.50
Other borrowings costs		
Bank charges	332.80	283.68
Total finance costs	**2,388.98**	**1,522.20**

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	3	2,100.45	1,900.42
Depreciation of right of use Assets	4	229.03	-
Amortization of intangible assets	5	77.72	67.68
Total depreciation and amortization expense		**2,407.20**	**1,968.10**

28 Other expenses

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spares		764.85	621.05
Power and fuel Expenses		2,278.45	1,779.11
Transport charges		2,618.08	3,076.20
Repairs and Maintenance			
Buildings		3.96	5.24
Plant & Machinery		59.13	25.67
Others		247.94	246.17
Pollution Control Expenses		70.15	35.27
Advertising and sales promotion		577.01	750.24
Royalty		175.59	214.60
Commission		683.24	607.97
Travelling and conveyance		1,510.05	1,380.81
Rent	42	73.98	274.98
Insurance		118.84	66.56
Communication expenses		33.26	37.01
Printing and Stationery		25.88	47.25
Legal and Professional Fees		429.24	428.93
Director Sitting Fees	39	11.00	5.00
Payment to Auditors	28(a)	40.51	33.87
Electricity & Water Charges		55.90	58.35
Rates and taxes		60.33	192.43
Security Charges		98.71	91.37
Research & Development Expenses	29	892.74	605.86
Loss on Sale of Fixed Assets (net)		37.22	49.55
Corporate Social Responsibility Expenses	28(b)	190.10	171.05
Provision for impairment of trade receivables		225.64	123.08
Net losses on fair value changes			
Derivatives at FVTPL		-	129.09
Exchange difference (net)		493.49	394.29
Bad debts written off		6.34	23.08
Miscellaneous Expenses		546.43	378.96
Total other expenses		**12,328.06**	**11,853.04**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

28(a)	Details of payment to auditors (excluding taxes)		
	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	As auditor		
	Statutory Audit Fees	39.00	30.00
	In other capacity		
	Reimbursement of expenses	1.51	3.87
	Total	**40.51**	**33.87**
28(b)	**Corporate social responsibility**		

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group. The Group's policy covers current as well as proposed CSR activities to be undertaken by the Group and examining their alignment with Schedule VII of the Act.
The Group 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.

		Year ended March 31, 2020	Year ended March 31, 2019
	CSR amount required to be spent as per Section 135 of the Companies Act, 2013	235.38	166.63
	read with Schedule VII thereof by the Company		
	Total amount spent for the financial year	(190.10)	(171.05)
	Amount unspent	**45.28**	**-**
	Amount spent during the year on:		
	(i) Construction/acquisition of an asset		
	- in cash	-	-
	- yet to be paid in cash	-	-
	(ii) On purpose other than (i) above		
	- in cash	190.10	171.05
	- yet to be paid in cash	-	-
	Total	**190.10**	**171.05**
	The entire amount is spent through the IIL foundation, which is a related party (refer note 39).		

29	**Research & Development Expenditure**		
	Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	(i) Revenue Expenditure :		
	(a) Employee cost	143.88	187.41
	(b) Cost of material & testing charges	15.12	0.84
	(c) Other R&D expenditure	6.79	-
	(d) Consultancy charges to OAT & IIL	326.56	276.54
	(ii) Capital Expenditure	24.50	0.40
	Total	**516.85**	**465.19**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

30 Income tax expense

This note provides an analysis of the Group's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,732.19	4,047.08
Adjustment of tax relating to earlier periods	(193.25)	(1,203.96)
Total current tax expense	**2,538.94**	**2,843.12**
Deferred tax		
Decrease (increase) in deferred tax assets	207.19	299.53
(Decrease) increase in deferred tax liabilities	(304.08)	(82.68)
Total deferred tax expense/(benefit)	**(96.89)**	**216.85**
Income tax expense	**2,442.05**	**3,059.97**

(b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax expense	**11,046.11**	**15,300.64**
Tax at the Indian statutory income tax rate of 34.944%	3,859.95	5,346.66
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(41.81)	(33.10)
Deduction on account of tax holiday period	(1,199.00)	(1,194.13)
Other items	16.16	144.50
Adjustments for current tax of earlier periods	(193.25)	(1,203.96)
Income tax expense	**2,442.05**	**3,059.97**

31 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2020

	FVTOCI - equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(110.74)	(110.74)
Gain/(loss) on FVTOCI financial assets	(109.72)	-	(109.72)
Share of other comprehensive income of joint venture	-	(3.39)	(3.39)
Total	**(109.72)**	**(114.13)**	**(223.85)**

During the year ended March 31, 2019

	FVTOCI - equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(26.74)	(26.74)
Gain/(loss) on FVTOCI financial assets	(339 .86)	-	(339.86)
Share of other comprehensive income of joint venture	-	(0.17)	(0.17)
Total	**(339.86)**	**(26.91)**	**(366.77)**

32 Significant estimates, judgements and assumptions

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India. Further details about gratuity obligations are given in Note 20.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Group's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates, incentives and cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised depends on whether the Group act as an agent or as a principal in an arrangement with a customer. The Group act as a principal if the Group controls a promised goods or service before the Group transfers the goods or service to a customer and act as an agent if the Group's performance obligation is to arrange for the provision of goods or service by another party.

Estimation uncertainty relating to COVID-19 outbreak

The Group has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of all the assets. (refer note 51)

Interest in joint venture

OAT & IIL India Laboratories Private Limited (OAT & IIL) is a private company in which the parent company currently owns 20% of the ownership interest. As per the joint venture agreement between the parent company and OAT Agrio Co. Ltd, control over the "relevant activities" of OAT & IIL is exercised jointly by both the companies. OAT & IIL is structured as a separate legal entity and both companies have an interest in the net assets of OAT & IIL. Accordingly, the parent company has classified its interest in OAT & IIL as a joint venture.

33. Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses full currency cum interest rate swap and foreign exchange forward contracts and option contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are measured at fair value through profit or loss. These contracts are entered into for period consistent with the foreign currency exposures of the underlying transactions and with the intention to reduce the foreign exchange risk of expected purchases and sales.

Nature of instrument	As at March 31, 2020		As at March 31, 2019	
	Amount outstanding USD (in Lacs)	Amount outstanding INR	Amount outstanding USD (in Lacs)	Amount outstanding INR
Hedged foreign currency exposures				
Forward contract - Buy				
In respect of foreign letters of credit	25.56	1,919.37	52.34	3,708.72
In respect of import bills accepted	0.48	36.25	-	-
In respect of buyer's credit	1.46	109.59	17.89	1,265.12
	27.50	**2,065.21**	**70.23**	**4,973.84**
Forward contract - Sell				
In respect of trade receivables	20.99	1,529.92	4.75	338.20
	20.99	**1,529.92**	**4.75**	**338.20**
Unhedged foreign currency exposures				
a) Payables				
Buyer's credit (including interest)	-	-	15.21	1,051.61
Letters of credit	238.81	18,073.27	129.16	8,932.93
Import bills accepted (Trade payables)	0.77	58.12	0.61	42.16
	239.58	**18,131.39**	**144.98**	**10,026.70**
b) Receivables				
Trade receivables	18.68	1,413.16	9.49	656.37
	18.68	**1,413.16**	**9.49**	**656.37**

34 Fair value measurements

		As at March 31, 2020			As at March 31, 2019		
(i) Financial instruments by category	**Note**	**FVTPL**	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
a) Financial assets - Non-current							
Investments							
- Equity instruments	7(a)	-	244.97	-	-	388.01	-
Security deposits	7(b)	-	-	128.87	-	-	127.02
Deposits having maturity of more than twelve months	7(b)	-	-	31.95	-	-	29.82
b) Financial assets - Current							
Trade receivables	11(a)	-	-	31,978.73	-	-	24,424.89
Cash and cash equivalents	11(b)	-	-	6,773.13	-	-	894.17
Other bank balances	11(c)	-	-	642.97	-	-	29.83
Loans	11(d)	-	-	272.82	-	-	1,216.61
Derivative assets	11(e)	18.76			4.10	-	-
Dividend receivable	11(e)	-	-	8.61	-	-	7.71
Insurance claim recoverable	11(e)	-	-	80.95	-	-	-
Interst accrued on inter corporate loans	11(e)	-	-	65.05			27.58
Litigation charges recoverable	11(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	11(e)	-	-	126.02	-	-	97.33
Interest subsidy recoverable	11(e)	-	-	285.25	-	-	302.28
Total financial assets		**18.76**	**244.97**	**40,413.95**	**4.10**	**388.01**	**27,176.84**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

			As at March 31, 2020			As at March 31, 2019		
	(i) Financial instruments by category	**Note**	**FVTPL**	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
	c) Financial liabilities - Non-current							
	Borrowings	15(a)	-	-	190.53	-	-	131.60
	d) Financial liabilities - Current							
	Borrowings	18(a)	-	-	18,348.22	-	-	29,517.24
	Trade payables	18(b)	-	-	24,655.78	-	-	27,986.60
	Current maturities of long-term borrowings	18(c)	-	-	203.72	-	-	871.60
	Security deposits received from customers	18(c)	-	-	725.41	-	-	633.13
	Creditors for capital expenditure	18(c)	-	-	466.85	-	-	134.57
	Interest accrued on borrowings	18(c)	-	-	19.67	-	-	102.47
	Employee payables	18(c)	-	-	1,418.36	-	-	1,146.09
	Unpaid dividend account	18(c)	-	-	4.57	-	-	4.05
	Derivative liabilities	18(c)	72.58	-	-	122.33	-	-
	Total financial liabilities		**72.58**	**-**	**46,033.11**	**122.33**	**-**	**60,527.35**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	As at March 31, 2020			As at March 31, 2019		
Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	244.97	-	-	388.01	-	-
Financial assets at FVTPL						
-Derivative assets	-	18.76	-	-	4.10	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	72.58	-	-	122.33	-

*The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

'There have been no transfers between Level 1 and Level 2 during the period.

	March 31, 2020			March 31, 2019		
Assets and liabilities which are measured at amortised cost for which fair values are disclosed	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Security deposits	-	-	128.87	-	-	127.02
Deposits having maturity of more than twelve months	-	31.95	-	-	29.82	-
Financial liabilities						
Long term borrowings (including current maturities)	-	394.25	-	-	967.88	-
There have been no transfers between Level 1 and Level 2 during the period.						

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

d) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Note	March 31, 2020		March 31, 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	7(b)	128.87	128.87	127.02	127.02
-Deposits having maturity of more than twelve months*	7(b)	31.95	31.95	29.82	29.82
Financial liabilities					
- Long term borrowings (including current maturities)	15(a)	394.25	394.25	1,003.20	967.88

*The management assessed that fair values of above financial instruments is substantially equal to their carrying value due to amortised cost being calculated based on the effective interest rates, which approximates the market rates.

'The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

35. Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents and loans that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk that are summarised as under:-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	a) Cash flow forecasting b) Sensitivity analysis	a) Forward exchange contracts b) Foreign currency options c) Currency swaps
Market risk - interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Group has formulated the Risk Management Policy whose objective 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 Group and minimize adverse impact on its business objectives as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

(I) Credit risk management

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. Individual risk limits are set accordingly. New customers are analysed individually for creditworthiness before the Group's standard payment and delivery terms are offered. Sale limits are established for each customers and reviewed periodically.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

a) Actual or expected significant adverse changes in business, financial or economic conditions that are actual

b) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group.

The maximum exposure to credit risk arising from trade receivables is provided in note 11(a).

b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's management in accordance with the policy of the Group. Counterparty credit limits are reviewed by the Group's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as illustrated in Note 7 and 11 except for derivative financial instruments.

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees and inter-corporate loans	Security deposits	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit loss	12-month expected credit loss	Lifetime expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			

Year ended March 31, 2020

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and inter-corporate loans	272.82	0%	-	272.82
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	128.87	0%	-	128.87

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	16,528.87	10,270.01	4,597.31	518.00	304.12	512.80	**32,731.11**
Expected loss rate	0.11%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	18.09	20.54	22.99	25.90	152.06	512.80	**752.38**
Carrying amount of trade receivables (net of impairment)	**16,510.78**	**10,249.47**	**4,574.32**	**492.10**	**152.06**	**-**	**31,978.73**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Year ended March 31, 2019

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and inter-corporate loans	1,216.61	0%	-	1,216.61
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	127.02	0%	-	127.02

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	10,546.96	8,909.24	4,454.75	379.15	408.80	252.73	**24,951.63**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	10.56	17.82	22.27	18.96	204.40	252.73	**526.74**
Carrying amount of trade receivables (net of impairment)	**10,536.40**	**8,891.42**	**4,432.48**	**360.19**	**204.40**	**-**	**24,424.89**

Reconciliation of loss allowance provision - trade receivables	
Loss allowance on March 31, 2018	**403.67**
Changes in loss allowance	123.07
Loss allowance on March 31, 2019	**526.74**
Changes in loss allowance	225.64
Loss allowance on March 31, 2020	**752.38**

B) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The Group enjoys a good reputation for its sound financial management and ability to meet in financial commitments. CRISIL, a S&P Global Group, a reputed Rating Agency, has re-affirmed the credit rating of CRISIL A/Stable for the longterm and CRISIL A1 for the Short-term Bank facilities.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

(I) Financing arrangements

The Group had access to the following undrawn borrowing facilities subject to the reconcilation at the end of the reporting period :

	As at March 31, 2020	As at March 31, 2019
Floating rate		
Short term borrowings	**26,195.97**	**17,589.26**

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments :

Contractual maturities of financial liabilities:-

As at March 31, 2020	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	203.72	190.53	-	394.25
Lease liabilities	15(b)	199.51	222.49	-	422.00
Short term borrowings	18(a)	18,348.22	-	-	18,348.22
Trade payables	18(b)	24,655.78	-	-	24,655.78
Security deposits received from customers	18(c)	725.41	-	-	725.41
Creditors for capital expenditure	18(c)	466.85	-	-	466.85
Interest accrued on borrowings	18(c)	19.67	-	-	19.67
Employee payables	18(c)	1,418.36	-	-	1,418.36
Unpaid dividend account	18(c)	4.57	-	-	4.57
Derivative liabilities	18(c)	72.58	-	-	72.58
Total		**46,114.67**	**413.02**	**-**	**46,527.69**

As at March 31, 2019	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	871.60	131.60	-	1,003.20
Short term borrowings	18(a)	29,517.24	-	-	29,517.24
Trade payables	18(b)	27,986.60	-	-	27,986.60
Security deposits received from customers	18(c)	633.13	-	-	633.13
Creditors for capital expenditure	18(c)	134.57	-	-	134.57
Interest accrued on borrowings	18(c)	102.47	-	-	102.47
Employee payables	18(c)	1,146.09	-	-	1,146.09
Unpaid dividend account	18(c)	4.05	-	-	4.05
Derivative liabilities	18(c)	122.33	-	-	122.33
Total		**60,518.08**	**131.60**	**-**	**60,649.68**

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

(I) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. The Group hedges its exposure to fluctuations on the foreign currency loan by using foreign currency swaps and forwards.

At March 31, 2020 and March 31, 2019 the Group's hedge position is stated in Note 33. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Impact on profit before tax Year ended March 31, 2020	 Year ended March 31, 2019
USD sensitivity		
INR/USD - increase by 1% (March 31, 2019: 1%)	(167.18)	(93.70)
INR/USD - decrease by 1% (March 31, 2019: 1%)	167.18	93.70
	Impact on other comprehensive income	
JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (Group listed on Tokyo Stock exchange)]	**Year ended March 31, 2020**	**Year ended March 31, 2019**
INR/JPY - increase by 5% (March 31, 2019: 5%)	12.25	19.40
INR/JPY - decrease by 5% (March 31, 2019: 5%)	(12.25)	(19.40)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. At March 31, 2020, 99.93% (March 31, 2019, 99.92%) of the Group's total borrowings are at a fixed rate of interest. As on March 31, 2020, the Group's borrowings were mainly denominated in INR and USD. In case of ECBs, the Group raises them at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Group's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings		
Long term borrowings (including current maturities)	381.90	977.36
Short term borrowings	18,348.22	29,517.24
Variable rate borrowings		
Long term borrowings (including current maturities)	12.35	25.84
Total borrowings	**18,742.47**	**30,520.44**

As at the end of the reporting period, the Group had the following long term variable rate borrowings (including current maturities) and interest rate swap contracts outstanding:

Particulars	As at March 31, 2020 Interest rates	 Balance	 % of total loans	As at March 31, 2019 Interest rates	 Balance	 % of total loans
Bank borrowings	8.50%-9.00%	12.35	0.07%	8.50% - 10.00%	25.84	0.08%
Net exposure to cash flow interest rate risk		**12.35**	**0.07%**		**25.84**	**0.08%**

(b) Sensitivity

The Group's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is not significant hence the sensitivity is not disclosed.

(iii) Price risk

(a) Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) and classified in the balance sheet as fair value through OCI (note 31).

(b) Sensitivity

The Group's investment in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) is publicly traded in the Japanese stock exchange. With all other variables held constant, a 10% movement in the market value of the equity instrument will increase or decrease other comprehensive income by INR 24.50 (March 31, 2019: INR 38.80)

36 Capital management

(a) Risk management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. For the purpose of the Group's capital management, net debt includes interest bearing loans and borrowings, less cash and cash equivalents. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Total debt	15(a),18(a),18(c)	18,742.47	30,520.44
(Less): Cash and cash equivalents	11(b)	(6,773.13)	(894.17)
Net debt		**11,969.34**	**29,626.27**
Total capital	13,14	73,172.86	66,200.38
Capital and net debt		**85,142.20**	**95,826.65**
Gearing ratio		**14%**	**31%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 & March 31, 2019.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

(b) Dividends

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(I) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2019 of INR 2 (March 31, 2018 : INR 2) per fully paid share	413.35	413.35
Dividend distrubution tax (DDT) on final dividend	84.99	84.99
Interim dividend for the year ended March 31, 2020 of INR 4 (March 31, 2019: Nil) per fully paid share	826.70	-
Dividend distrubution tax (DDT) on interim dividend	169.93	-
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended the payment of a final dividend of Nil per fully paid equity share (March 31, 2019: INR 2). This proposed dividend (including dividend distribution tax thereon) is subject to the approval of shareholders in the annual general meeting and is not recognized as a liability.	-	413.35

The amount of dividend distribution tax on dividends that were proposed or declared before the financial statements were approved for issue is Nil (March 31, 2019: INR 84.99).

37 Interests in other entities

a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2020. The entity listed below has share capital consisting solely of equity shares, which is held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Status	Accounting method	Carrying amount	
						As at March 31, 2020	As at March 31, 2019
OAT & IIL India Laboratories Private Limited	India	20%	Joint venture	Audited	Equity method	944.48	860.63

OAT & IIL India Laboratories Private Limited (OAT & IIL) is involved in the business of undertaking scientific and technical research experiments, product development, bio-equivalency studies and developing New Chemical Entities (NCEs). It is an unlisted entity so quoted prices are not available.

b) Commitments, contingent liabilities and contingent assets in respect of joint venture	As at March 31, 2020	As at March 31, 2019
Share of commitments in respect of:		
Capital commitments in respect of Property, plant and equipment	0.03	5.36
Unpaid preference dividend	0.00	0.00

(All amounts in INR in 'Lacs', unless mentioned otherwise)

c) Summarised financial information for joint venture

The tables below provide summarised financial information for the Group's joint venture. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Group's share in those amounts.

Summarised balance sheet	OAT & IIL India Laboratories Private Limited	
	As at March 31, 2020	As at March 31, 2019
Current assets		
Cash and cash equivalents	1,373.73	1,018.91
Other assets	1,889.27	1,201.81
Total current assets	**3,263.00**	**2,220.72**
Total non-current assets	2,962.60	2,656.98
Total assets	6,225.60	4,877.70
Current liabilities		
Financial liabilities (excluding trade payables)	55.56	91.76
Other liabilities	1,275.33	375.87
Total current liabilities	1,330.89	467.63
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	172.30	106.91
Total non-current liabilities	**172.30**	**106.91**
Net assets	**4,722.41**	**4,303.16**

Reconciliation to carrying amounts	As at March 31, 2020	As at March 31, 2019
Opening net assets	4,303.16	4,100.45
Profit for the year	436.23	203.55
Other comprehensive income	(16.98)	(0.84)
Closing net assets	**4,722.41**	**4,303.16**
Group's share in %	20%	20%
Carrying amount	**944.48**	**860.63**

Summarised Statement of Profit and Loss	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	2,860.47	1,397.56
Interest income	91.68	116.60
Other income	1.52	6.07
Total revenue	**2,953.67**	**1,520.23**
Expenses		
Cost of materials consumed	1,168.27	52.06
Changes in inventories of finished goods	(224.33)	-
Employee benefit expenses	623.87	531.50
Finance costs	1.81	0.37
Depreciation & amortisation expenses	200.16	207.26
Other expenses	585.51	411.36
Total expenses	**2,355.29**	**1,202.55**
Profit before tax	**598.38**	**317.68**
Tax expense	162.15	114.13
Profit after tax	**436.23**	**203.55**
Other comprehensive income	(16.98)	(0.84)
Total comprehensive income	**419.25**	**202.71**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

38 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacturing and distribution of Agro-chemicals comprising of technical and formulation, hence there is one operating segment.

Entity wide disclosures as applicable to the Group are mentioned below:-

a) Information about geographical areas:

Revenue from external customers	Year ended March 31, 2020	Year ended March 31, 2019
Within India	128,601.55	112,249.80
Outside India	6,414.52	6,021.24
Total revenue	**135,016.07**	**118,271.04**

The basis for attributing revenues from external customer is based on the country of domicile of the respective customers.

b) Revenue from Major Customers: There is no customer having revenue amounting to 10% or more of Group's total revenue.

39 Related party transactions

(i) Names of related parties and related party relationship:-

a) Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)

1. Sh. Hari Chand Aggarwal - Chairman
2. Sh. Rajesh Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director

b) Key Management Personnel (KMP)

1. Sh. Sandeep Aggarwal - Chief Financial Officer
2. Sh. Sandeep Kumar - Company Secretary

c) Independent directors

1. Sh. Vrijesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Sh. Vinod Kumar Mittal
5. Smt. Praveen Gupta (appointed w.e.f. February 15, 2020)

d) Relatives of KMPs

1. Sh. Sanjeev Aggarwal
2. Smt. Sonia Aggarwal
3. Smt. Anju Aggarwal
4. Smt. Pushpa Aggarwal
5. Miss Kritika Aggarwal

e) Enterprises over which the Group exercises joint control

1. OAT & IIL India Laboratories Private Limited

f) Enterprises over which key management personnel and their relatives have control / significant influence:

1. ISEC Organics Ltd.
2. Valves & Pneumatics
3. Vinod Metals Industries
4. Crystal Crop Protection Pvt. Ltd.
5. HPM Chemicals & Fertilizers Ltd.
6. Crop Care Federation of India
7. IIL foundation
8. Indogulf Cropsciences Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

(ii) Transactions during the year with related parties:-

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Group exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement expense	**0.30**	**0.16**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	0.30	0.16										
Consultancy expenses	-	-	-	-	-	-	-	-	**10.96**	**9.76**	-	-
Smt. Sonia Aggarwal									10.96	9.76		
Deputation fee income	-	-	**38.39**	**25.99**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			38.39	25.99								
Membership & Subscription expense	**11.80**	**8.26**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	11.80	**8.26**										
Purchase of Capital & Consumabable Goods	**165.36**	**85.99**	-	-	-	-	-	-	-	-	-	-
Valves & Pneumatics	-	**0.29**										
Vinod Metal Industries	**165.36**	**85.70**										
Sales of Finished Goods	3,747.49	**5,589.18**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	**2,910.56**	**2,800.56**										
HPM Chemical & Fertilizers Limited	390.50	**427.19**										
Indogulf Cropsciences Limited	**446.43**	**2,361.43**										
Purchases of Traded Goods	1.87	**420.70**	-	-	-	-	-	-	-	-	-	-
HPM Chemical & Fertilizers Limited	**1.87**	**420.70**										
Purchases of Raw Material	4,914.47	**9,039.97**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	**4,112.57**	**2,721.02**										
HPM Chemical & Fertilizers Limited	-	**913.37**										
Indogulf Cropsciences Limited	801.90	**5,405.58**										
Other Expenses	**17.70**	**17.70**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	17.70	**17.70**										
R & D Expenses	-	-	**385.34**	**329.20**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			385.34	329.20								
Rent paid	**65.63**	**69.41**	-	-	-	-	-	-	**2.64**	**2.56**	-	-
ISEC Organics Ltd	65.63	**69.41**							-	-		
Smt. Pushpa Aggarwal		-							2.64	2.56		
Purchase of Property, Plant & Equipment	**777.60**	-										
ISEC Organics Ltd	777.60	-										
Revenue from Job Work			**46.05**	-								
OAT & IIL India Laboratories Private Limited			46.05	-								

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Remuneration paid *	**-**	**-**	**-**	**-**	**901.08**	**987.92**	**42.80**	**38.55**	**46.57**	**44.83**	**-**	**-**
Sh. Hari Chand Aggarwal					431.77	472.50						
Sh. Rajesh Aggarwal					425.83	472.50						
Smt. Nikunj Aggarwal					43.48	42.92						
Sh. Sandeep Aggarwal							32.66	30.59				
Sh. Sandeep Kumar							10.14	7.96				
Sh. Sanjeev Aggarwal									20.96	19.58		
Smt. Anju Aggarwal									12.79	12.65		
Miss Kritika Aggarwal									12.82	12.60		
Contribution to CSR	**190.10**	**171.05**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	190.10	171.05										
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11.00**	**5.00**
Sh. Vinod Kumar Mittal											2.50	1.25
Sh. Jayaraman Swaminathan											3.50	1.50
Smt.Praveen Gupta											0.50	-
Sh.. Navin Shah											2.00	1.00
Sh. Vrijesh Kumar Gupta											2.50	1.25

* Excluding post employment benefits

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(iii) Balance outstanding with related parties

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Group exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Remuneration payable	**-**	**-**	**-**	**-**	**111.28**	**159.96**	**3.16**	**2.59**	**4.00**	**2.85**	**-**	**-**
Sh. Hari Chand Aggarwal					105.33	76.81	-	-	-	-		
Sh. Rajesh Aggarwal					3.51	80.91	-	-	-	-		
Smt. Nikunj Aggarwal					2.44	2.24	-	-	-	-		
Sh. Sandeep Aggarwal					-	-	1.87	1.77	-	-		
Sh. Sandeep Kumar					-	-	1.29	0.82	-	-		
Sh. Sanjeev Aggarwal					-	-	-	-	1.70	1.20		
Smt. Anju Aggarwal					-	-	-	-	0.89	0.86		
Miss Kritika Aggarwal					-	-	-	-	1.41	0.79		
Trade Payables	**169.14**	**3,218.97**	**-**	**-**			**-**	**-**	**3.22**	**0.75**	**-**	**-**
Vinod Metal Industries	61.46	30.70							-	-		
Valves & Pneumatics	-	0.29							-	-		
Indogulf Cropsciences Limited	-	2,156.09							-	-		
HPM Chemical & Fertilizers Limited	-	1,031.73							-	-		
Isec Organics Ltd.	89.84	-							-	-		
Crop Care Federation of India	17.84	0.16							-	-		
Smt. Sonia Aggarwal	-	-							0.84	0.75		
Smt. Pushpa Aggarwal	-	-							2.38	-		
Trade Receivables	**53.60**	**1,215.17**	**18.12**	**-**			**-**	**-**	**-**	**-**	**-**	**-**
HPM Chemical & Fertilizers Limited	-	143.31	-	-								
Crystal Crop Protection Ltd	-	699.97	-	-								
Indogulf Cropsciences Ltd	53.60	371.89	-	-								
OAT & IIL India Laboratories Private Limited	-	-	18.12	-								
Advances given	**625.57**	**966.60**	**4.97**	**1.98**			**-**	**-**	**-**	**-**	**0.24**	**-**
Crystal Crop Protection Ltd	625.57	355.67	-	-							-	-
Isec Organics Ltd.	-	610.93	-	-							-	-
OAT & IIL India Laboratories Private Limited	-	-	4.97	1.98							-	-
Sh. Vinod Kumar Mittal	-	-	-	-							0.06	-
Sh. Jayaraman Swaminathan	-	-	-	-							0.06	-
Sh.. Navin Shah	-	-	-	-							0.06	-
Sh. Vrijesh Kumar Gupta	-	-	-	-							0.06	-

iv) Key management personnel compensation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits	943.88	1,026.47
Post-employment benefits	21.83	15.57
Long-term employee benefits	-	-
Total	**965.71**	**1,042.04**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

v) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40 Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
a) Bank Guarantee	104.50	186.93
b) Excise Matter with Appellate Authority	429.51	1,142.17
c) Sales Tax / GST Matters	397.57	401.49
d) Revenue Department	89.60	89.60
Total	**1021.8**	**1,820.19**

With respect to contingent liabilities reported at (b), (c) & (d) above, the management has taken an opinion from the legal advisors / professionals engaged by them and expects that the appeals will be decided in the favor. Therefore, the probability of outflow of resources is remote.

41 Commitments

a) Commitments with respect to:

Particulars	As at March 31, 2020	As at March 31, 2019
Letter of Credits (FLC & ILC)	8,232.72	5,154.09
	8,232.72	**5,154.09**

b) **Capital commitments** - Estimated amount of Contracts remaining to be executed on capital accounts (net of advances) and not provided for INR 89.88 (March 31, 2019- INR 242.74).

42 Leases

The Group has lease contracts for land, office premises, warehouses and vehicles. The land leases have term ranging from 60 to 198 years, office premises and warehouses have lease terms between 1 to 5 years.

Further, the Group has leases of warehouses and vehicles which have lease term less than 12 months. The Group applies the "Short term leases" recognition exemption for such leases.

a) Amounts recognized in profit and loss

Particulars	Year ended March 31, 2020
Depreciation expense of right-of-use assets (Refer Note 27)	229.03
Interest expense on lease liabilities (Refer Note 26)	54.31
Expense relating to short-term leases (included in rent) (Refer Note 28)	73.98
(Gain)/loss on termination of leases (included in miscellaneous income) (Refer Note 22)	(5.59)
Total	**351.73**

b) Extension and termination options

The Group has lease contracts that include extension and termination options. These options are negotiated by management and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Group has considered all the lease payments relating to periods following the exercise date of extension options, where such option is available with the Group in the calculation of lease liabilities. The Group has determined that it is not reasonably certain that termination options attached to lease contracts will be exercised. Therefore, such disclosures are not applicable.

43 Earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year	8,691.31	12,281.38
Weighted average number of shares (Face value Rs 10/- each)	20,667,796	20,667,796
(a) Basic earnings per share (INR)	42.05	59.42
(b) Diluted earnings per share (INR)*	42.05	59.42

*There are no dilutive potential equity shares.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

44 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Current			
Financial assets			
First charge			
Trade receivables	11(a)	31,978.73	24,424.89
Loans	11(d)	272.82	1,216.61
Other financial assets	11(e)	604.24	458.60
		32,855.79	**26,100.10**
Non-financial assets			
Inventories	10	51,926.48	70,510.65
Other current assets	12	1,407.22	897.34
Total current assets pledged as security		**86,189.49**	**97,508.09**
Non-Current			
Financial assets			
First charge			
Security deposits	7(b)	128.87	127.02
Non-financial assets			
Property, plant and equipment	3	20,893.13	23,715.03
Capital work-in-progress	3	3,288.41	1,271.42
Other non-current assets	9	682.22	1,300.99
Total non-currents assets pledged as security		**24,992.63**	**26,414.46**
Total assets pledged as security		**111,182.12**	**123,922.55**

45 The Balances shown under the head Trade Receivables and Trade Payables are subject to confirmation and reconciliations. However, the Group has initiated the process of obtaining confirmations from trade receivables and payables.

46 Information as required to be funished as per section 22 of the Micro, small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group :

	Particulars	As at March 31, 2020	As at March 31, 2019
I	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	274.45	53.53
	Interest	0.48	6.12
ii	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payments made to the supplier beyond the appointed day during each accounting Year.		
	Principal Paid during FY 2019-20	63.60	-
	Interest Paid during FY 2019-20	-	-
iii	The amount of interest due and payables for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	0.48	4.42
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.		
	Accounting year ended 31st March 2020	2.46	-
	Accounting year ended 31st March 2019*	-	6.12
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible enterprise under section 23 of the MSMED Act,2006.	2.46	6.12

*The interest has been reversed since the same was not required to be paid as per the agreement/PO

(All amounts in INR in 'Lacs', unless mentioned otherwise)

47 Contract assets and contract liabilities

The following table provides information about trade receivables and contract liabilities from contracts with the customers :

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables (refer note 11(a))	31,978.73	24,424.89
Total trade receivables	**31,978.73**	**24,424.89**
Advance from customers (contract liabilities) (refer note 19 & 21)	7,174.31	6,228.54
Total advance from customers (contract liabilities)	**7,174.31**	**6,228.54**

48 In order to facilitate better presentation and nature of the transactions, certain figures have been regrouped/reclassified in the previous year to conform to current year's classification. Such regroupings/reclassifications had no effect on the Statement of Profit & Loss, Balance Sheet, Statement of Cash Flows and Statement of Changes in Equity.

49 The Group has received Refund of Terminal Excise Duty during the financial years 2014-15, 2015-16 & 2016-17 from the Director of Foreign Trade (DGFT), Ahmedabad on the basis of issuance of an Advance Release Order (ARO) by DGFT, Mumbai. On 28th November,2019, the Additional Director of Foreign Trade, Ahmedabad has issued show cause notice(which is primary stage of adjudication) stating that the refunds were erroneously paid by this office and directed to pay back the amount of INR 7,828.87 along with interest @ 15%. The Additional Director of Foreign Trade, Ahmedabad has also provided an opportunity to the Group to appear before the Authority which is mandatory requirement before adjudicating. In terms of the provisions of the Act, the Group filed the writ petition before Hon'ble Gujarat High Court against the Show Cause Notice challenging the legality of the notice and the Hon'ble court has granted interim relief and also stayed the show cause notice proceedings.

50 Information on details of loans under section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014

Particulars	Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020	Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	320.84	445.16	409.00	409.00
- Mentor Financial Services Pvt. Ltd (for Business purpose)	9.21	842.52	818.58	818.58

Note: Advances to employee as per Group's policy are not considered.

51 Changes in accounting policies and disclosures New and amended standards and interpretations

(i) Ind AS 116 Leases

Ind AS 116 was notified with effect from April 1, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is as follows:

Assets	Amount
Right-of-use assets	2,782.55
Property, plant and equipment	(2,102.40)
Other assets	-
Total assets	**680.15**
Liabilities	
Financial liabilities - Lease liabilities	680.15
Deferred tax liabilities	-
Trade and other payables	-
Total liabilities	**680.15**
Total adjustment on equity:	-
Retained earnings	
Non-controlling interests	-

(All amounts in INR in 'Lacs', unless mentioned otherwise)

The Group has lease contracts for land, office, warehouse and vehicles. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 2. 3. (h) for the accounting policy on Ind AS 116. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The Group recognizes a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and correspondingly measured the right-of-use asset at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019 is as follows:

	As at April 1, 2019
Assets	
Operating lease commitments as at March 31, 2019	-
Weighted average incremental borrowing rate as at April 1, 2019	11%
Discounted operating lease commitments as at April 1, 2019	-
Add:	
Lease payments relating to cancellable and renewal periods not included in operating lease commitments as at March 31, 2019	680.15
Lease liabilities as at April 1, 2019	**680.15**

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

a) Whether an entity considers uncertain tax treatments separately

b) The assumptions an entity makes about the examination of tax treatments by taxation authorities

c) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

d) How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Group.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments are not applicable to financial statements of the Group.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These amendments did not have an impact on financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements as the Group.

(vi) Annual Improvements to Ind AS (2018)

a. Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the financial statements of the Group as there is no transaction where joint control is obtained.

b. Ind AS 111 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the financial statements of the Group as there is no transaction where joint control is obtained.

c. Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019. The amendments had no impact on the financial statements of the Group.

d. Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. The amendments had no impact on the financial statements of the Group.

52 The Ministry of Home Affairs (MHA) vide order No. 40-3/2020 dated March 24, 2020 notified Nation wide lock-down in India to contain the outbreak of COVID-19. MHA had imposed several restrictions on travel, goods movements and transportation considering public health and safety measures. The Group's business has been classified as an "essential commodity" at par with medical, medicine, food chain etc. As of today, as per MHA and State governments guidelines, all production facilities in various parts of the Country remain in operation with enhanced internal safety guidelines. There is no significant impact of COVID-19 pandemic on the current and future business condition of the Group, financial statements liquidity position and cash flow and has concluded that no material adjustments are required in the financial statements. Management will continue to closely monitor the situation.

(All amounts in INR in 'Lacs', unless mentioned otherwise)

53 Statutory Group Information

As at March 31, 2020

Name of the entity in the Group	Consolidated Net Assets, i.e. Total Assets minus Total Liabilities		Share in Consolidated Profit and Loss		Share in Consolidated Other Comprehensive Income		Share in Consolidated Total Comprehensive income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income
Parent								
Insecticides (India) Limited	73,023.38	99.80%	8,604.06	99.00%	(220.45)	98.48%	8,383.61	99.01%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	149.48	0.20%	87.25	1.00%	(3.40)	1.52%	83.85	0.99%
Total equity	**73,172.86**		**8,691.31**		**(223.85)**		**8,467.46**	

As at March 31, 2019

Name of the entity in the Group	Consolidated Net Assets, i.e. Total Assets minus Total Liabilities		Share in Consolidated Profit and Loss		Share in Consolidated Other Comprehensive Income		Share in Consolidated Total Comprehensive income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income
Parent								
Insecticides (India) Limited	66,134.75	99.90%	12,240.67	99.67%	(366.60)	99.95%	11,874.07	99.66%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	65.63	0.10%	40.71	0.33%	(0.17)	0.05%	40.54	0.34%
Total equity	**66,200.38**		**12,281.38**		**(366.77)**		**11,914.61**	

Auditor's Report

As per our separate report of even date annexed herewith

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N
Place : Delhi
Date : June 25, 2020

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Notice of the 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting ("AGM") of **INSECTICIDES (INDIA) LIMITED** will be held on Friday, September 04, 2020 at 03.00p.m IST through Video Conferencing ("VC") / other Audio Visual mean ("OAVM") to transact the following businesses:

Ordinary Business:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the Audited standalone and consolidated Financial Statements for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon

Item No. 2 – Confirmation of payment of Interim Dividend

To confirm the payment of Interim Dividend of Rs. 4/- (Four rupees only) per equity share of Rs. 10/- (Ten Rupees only) each already paid during the year as the Final Dividend for the financial year ended March 31, 2020

Item no. 3 – Appointment of Mr. Hari Chand Aggarwal as a director liable to retire by rotation

To appoint a Director in place of Hari Chand Aggarwal (DIN: 00577015) who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

Item no. 4 – Ratification of age of appointment of Mr. Hari Chand Aggarwal

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

"**RESOLVED** that approval of the Company be and is hereby accorded for the re-appointment and continuation of Mr. Hari Chand Aggarwal (DIN: 00577015) as Chairman & WTD of the Company who has attained the age of seventy-two years."

Item no. 5 – Ratification of remuneration of Cost Auditors for the financial year, 2021

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this Meeting, to be paid to M/s Aggarwal Ashwani K. & Associates, Cost Accountant, Firm Registration No. 100191 the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2021, be and is hereby ratified."

Item No. 6 – Appointment of Mrs. Praveen Gupta as an Independent Women Director

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

"**RESOLVED** that Mrs. Praveen Gupta (DIN: 00180678), who was appointed as an additional non-executive independent women director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as an Independent women director, not liable to retire by rotation, for a period up to February 14, 2025.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

By Order of the Board of Directors
For Insecticides (India) Limited

Sd/-
Sandeep Kumar
Company Secretary
Delhi, June 25, 2020

Insecticides (India) Limited
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi-110033
investor@insecticidesindia.com
www.insecticidesindia.com

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General circular no. 20/2020 dated May 5, 2020 read with circular no. 14/2020 dated April 8, 2020 and circular no. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 23rd AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.

3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed hereto.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the 23rd AGM and hence the Proxy Form, Attendance Slip and Route map are not annexed to this Notice.**

5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. The Register of Members and Share Transfer books will remain closed from Friday, August 28, 2020 to Friday, September 04, 2020 (both days inclusive).

8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered e-mail address to akashguptacs86@gmail.com with a copy marked to www.evotingindia.com

9. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.insecticidesindia.com, website of stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of Central Depository Services (India) Limited at www.evotingindia.com.

10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Alankit Assignments Limited ("AAL").

11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with AAL in case the shares are held by them in physical form.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to AAL in case the shares are held by them in physical

form.

13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 03, 2020 through email on investor@insecticidesindia.com. The same will be replied by the Company suitably.

14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The due date for transfer of unclaimed / unpaid dividend or equity share to IEPF is available on the website of the company at http://www.insecticidesindia.com/UnpaidDividend.htm The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in

15. At the 20th AGM held on August 08, 2017 the members approved appointment of Joint Auditors M/s SS Kothari Mehta & Co., Chartered Accountants (Firm Registration No. : 000756N) and Devesh Parekh & Co., Chartered Accountants (Firm Registration No. :013338N)as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of 25th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

16. In terms of the provisions of Section 152 of the Act, Mr. Hari Chand Aggarwal, Chairman, Director of the Company, retire by rotation at this Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment. The details of Mr. Hari Chand Aggarwal, Director, seeking re-appointment, pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 and other applicable provisions are annexed herewith this notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made thereunder.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN details to the Company.

18. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:-

    a) The change in the residential status on return to India for permanent settlement, and

    b) The particulars of the NRE account with a Bank in India, if not furnished earlier.

19. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 23rd AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an e-mail to investor@insecticidesindia.com

20. Instructions for e-voting and joining the AGM are as follows:

A. Voting through electronics means

I. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

II. The remote e-voting period begins on Tuesday, September 01, 2020 (09.00 a.m. IST) and ends on Thursday, September 03, 2020 (5.00 p.m. IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 28, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

VI. The details of the process and manner for remote e-voting are explained herein below:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on "Shareholders" module.

(iii) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/ EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, share-holders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(x) Click on the EVSN for the Insecticide (India) Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii)Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

(I) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

(ii) For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

(iii) The instructions for participation by members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first –come-first-served basis.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may

register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at investor@insecticidesindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at investor@insecticidesindia.com. These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THEAGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@insecticidesindia.com and, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Other Instructions

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" Option available on www.evotingindia.com to reset the password.
2. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
3. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East),

Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

4. The Board of Directors has appointed M/s Akash Gupta & Associates, Company Secretaries, (PCS Regs. No. 11038) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

5. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

6. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such schedule time.

7. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.insecticides india.com and on the website of CDSL www.evotingindia.com immediately after the declaration of Results by the Chairman or a person authorized by him. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors
For Insecticides (India) Limited

Sd/-
Sandeep Kumar
Company Secretary
Delhi, June 25, 2020

Insecticides (India) Limited
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi-110033
investor@insecticidesindia.com
www.insecticidesindia.com

EXPLANATORY STATEMENT IN RESECT TO THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item no. 4 – Ratification of age of appointment of Mr. Hari Chand Aggarwal

Mr. Hari Chand Aggarwal is associated with the Company since its inception, during his tenure as Executive Chairman he played a key role in the Company's rise to its pre-eminent position. He has nurtured the team IIL from first appointment to 1,000+ team members. Mr. Hari Chand Aggarwal, Chairman and WTD of the Company are assessable to top management to bottom level employee.

Mr. Hari Chad Aggarwal, currently aged 72 Years, was re-appointed as Chairman & Whole-time Director of the Company with effect from October 01, 2017 in the meeting of Board of Directors of Company held on August 08, 2017 as Chairman & Whole-time Director of the Company for the period of 5 years upto September 30, 2022.

Mr. Hari Chand Aggarwal is strongly identified as founding stone of the Company, under his vision the company has achieved remarkable growth, his contribution in the field of team management, procurement, strategic collaborations are nowerthless known by the peers. Mr. Hari Chand Aggarwal in the capacity of Chairman and WTD will be entitled to remuneration as approved by the members in the AGM dated August 08, 2018, brief of the same as follows:

a) Salary, perquisite and Allowances per annum: Fixed remuneration of Rs. 9.00 Lakhs per month.

b) Commission: In addition to the salary, perquisites and allowances as set out above, he shall be entitled to receive Commission upto 5% (five percent) of the net profit of the Company. within the overall limits approved by the shareholders of the Company.

c) Car & Driver, telephone & communication facilities and club membership.

d) Reimbursement of medical expenses in accordance with the policy of the Company.

e) Perquisite value of Company accommodation.

Mr. Hari Chand Aggarwal is liable to retire by rotation in this AGM and hence is proposed to be re-appointed. Accordingly, approval of the shareholders of the Company is sought for continuation of Mr. Hari Chand Aggarwal as Chairman and Whole-time Director by passing Special Resolution. Disclosure, as required under Secretarial Standard 2 on General Meetings, is provided as an Annexure to the Notice.

The Board recommends re-appointment of Mr. Hari Chand Aggarwal as Chairman and Whole-time Director of the Company, liable to retire by rotation and ratification of his age, continuation beyond 72 years of age.

Except Mr. Hari Chad Aggarwal, being the appointee and Mr. Rajesh Aggarwal & Mrs. Nikunj Aggarwal, relative of appointee, none of the Directors or the Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 4.

Item no. 5 – Ratification of remuneration of Cost Auditors for the financial year, 2021

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of Aggarwal Ashwani K. & Associates, Cost Accountants, Delhi (Firm Regd. No. 100191), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

M/s. Aggarwal Ashwani K. & Associates, Cost Accountants, Delhi (Firm Regd. No. 100191), have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the cost auditor has to be ratified by the shareholders of the Company.

Accordingly, ratification by the members is sought to the remuneration of Rs.4,50,000/- (Rupees Four Lakh Fifty Thousand Only) (excluding out of pocket expenses and applicable taxes) payable to the Cost Auditor for Financial year ending March 31, 2021 by passing Ordinary Resolution as set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 6 – Appointment of Mrs. Praveen Gupta as an Independent Women Director

The Board, based on the recommendation of the nomination and remuneration committee, at its meeting held on February 07, 2020, appointed Mrs. Praveen Gupta as an additional non-executive Independent women director of the Company with effect from February 15, 2020, pursuant to Section 161 of the Companies Act, 2013. The Company has received from her all statutory disclosures / declarations including, (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Mrs. Praveen Gupta is much admired legal expert in relation to the audit and system checks she has indepth business understanding of audit and will bring tremendous value to the Board and to the Company. She fulfils the conditions for independence specified in the Act, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other laws / regulations for the time being in force, to the extent applicable to the Company. A copy of the draft letter for the appointment of Mrs. Praveen Gupta as an independent director setting out the terms and conditions is available for electronic inspection without any fee by the members.

The resolution seeks the approval of members for the appointment of Mrs. Praveen Gupta as an non-executive independent women director of the Company up to February 14, 2025 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing annual general meeting and shall be appointed as a director by the members. The Board, at its meeting held on February 07, 2020, appointed Mrs. Praveen Gupta as an additional and independent director who holds office up to the ensuing AGM. Accordingly, her appointment is placed for the approval of members. In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Mrs. Praveen Gupta in any way concerned or interested, financially or otherwise in the resolution.

The Directors recommend the resolution for approval of members.

Annexure to the Notice dated June 25, 2020

Information of Director retiring by rotation and the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in accordance with provisions of Companies Act, 2013 and Secretarial Standards, as on the date of Notice

Name of the Director	Mr. Hari Chand Aggarwal	Mrs. Praveen Gupta
Directors Identification Number (DIN)	00577015	00180678
Date of Birth (Age in Years)	November 05, 1948 (72 Years)	August 09, 1971 (49 Years)
Original Date of Appointment	October 12, 2001	February 15, 2020
Qualification	Metric	B.Com (Delhi University), Chartered Accountant (CA)
Experience, brief resume and expertise in specific functional area	5 decades of Experience in Agro Chemical Industry. Please refer Company's website: www.insecticidesindia.com for detailed profile.	She is the Fellow Member of Institute of Chartered Accountant, India (ICAI) and Partner at Mamraj & Co., Chartered Accountants, New Delhi. She has rich experience in the field of Taxation, Audits and Corporate Laws. She has excellent academic and Professional records. She is on the penal of several reputed Indian Companies both listed and non-listed. Please refer Company's website: www.insecticidesindia.com for detailed profile.

Name of the Director	Mr. Hari Chand Aggarwal	Mrs. Praveen Gupta
Remuneration last drawn	As mentioned in Corporate Governance Report	
Number of meeting of Board attended during the year (2019-2020)	04	01 *(appointed as additional independent director w.e.f 15/02/2020)*
Shareholding in Insecticides (India) Limited	923400 Equity Shares	Nil
Relationship with other Directors / KMPs	Father of Mr. Rajesh Aggarwal, Managing Director and Father-in-Law of Mrs. NikunjAggarwal, WTD and not related to any other Director / Key Managerial Personnel	None
Directorships of other Boards as on March 31, 2020	Insecticides (India) Limited	1. Insecticides (India) Limited 2. Prakash Pipes Limited 3. Advance Steel Tubes Limited 4. Sophia Exports Limited
Membership / Chairmanship of committees of other Boards as on March 31, 2020	Insecticides (India) Limited ▪ Corporate Social Responsibility Committee – Chairperson ▪ Finance Committee - Chairperson	**1. Prakash Pipes Limited** ▪ Audit Committee - Chairperson ▪ Nomination & Remuneration Committee - Member ▪ Stakeholder Relationship Committee- Chairperson **2. Advance Steel Tubes Limited** ▪ Audit Committee - Member ▪ Nomination &Remuneration Committee - Member ▪ Risk Management Committee - Member ▪ Corporate Social Responsibility Committee - Member **3. Sophia Exports Limited** ▪ Audit Committee - Member ▪ Nomination &Remuneration Committee - Member ▪ Stakeholder Relationship Committee - Member ▪ Risk Management Committee - Member

हमारी फसल संतान हमारी

इनकी सुरक्षा हमारी ज़िम्मेदारी

insecticides (INDIA) LIMITED

TRACTOR BRAND IIL

Registered and Corporate Office

401-402, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

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Email: investor@insecticidesindia.com

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