When experience
meets expertise

insecticides (INDIA) LIMITED

TRACTOR BRAND IIL

हर क़दम, हम क़दम

ANNUAL REPORT 2020-21

INDEX



CORPORATE INFORMATION

Board and Committees

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
Independent Women Director
(DIN: 00180678)

Executive Officers

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary
& Chief Compliance Officer

Board Committees

Audit Committee

Praveen Gupta
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
Praveen Gupta
Navin Shah

Finance Committee

Hari Chand Aggarwal
Chairperson
Rajesh Aggarwal
Nikunj Aggarwal
Sandeep Aggarwal

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 Secretary, 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
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

1. E – 442-443-444, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
2. E-439-440, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
3. SIDCO Industrial Growth Centre, Samba – 184 121 (J&K)
4. II D Centre, BattalBallian, Udhampur – 182 101 (J&K)
5. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch –392 130 (Gujarat)
6. Plot No. Z/50, Dahej Industrial Area, SEZ Part-1, Dahej, Tal. Vagra, Dist, Bharuch, 392130 (Gujarat)

*Mr. Vinod Kumar Mittal (DIN:07421742), resigned from the post of Independent Director of the company w.e.f. December 21, 2020

WHEN EXPERIENCE MEETS EXPERTISE, THE NATION REAPS THE BENEFIT

Agriculture is one of the oldest and most significant pillars of the human civilisation. Unlike any other sector, it constantly adapts and aligns according to our needs to sustain us, while giving us several avenues to tap its unlimited potential.

Farmers know what is best for their crops. Their priceless experience is something we cannot find from years of research. But what we can do is use our expertise and work towards developing products that enhance their overall experience to increase their productivity and financial security. Because, when the farmers grow, the nation grows too.

At IIL, we strive to make farmers' lives better by developing products that are safe, environment-friendly, affordable and effective. Our R&D team understands their concerns and the land's topography to do an extensive research and come up with products tailored to their needs. Our initiative 'Farmers Contact Programme' helps us to reach out to them directly and help them out with their various concerns about crop protection. The mutual trust ensures that we receive honest feedback about our products so that we can work towards improving them. This healthy to and fro communication helps us forge a stronger bond that is more than just an alliance.

With our CSR initiatives like 'Insecticides Jaroori Hai' and 'Kisaan Jagrukta Abhiyan', we help them understand the importance of employing new farming techniques so that they can reap innumerable benefits. We also promote and introduce the latest technologies that help them optimize their work. From sowing to harvesting, we work with them at every step to ensure that they don't fall short of anything.

STRIDE OF INDIAN AGRICULTURE DURING COVID-19

Growth in any time is remarkable, but growth in a time of crisis is extraordinary. Due to the sudden outbreak of Covid-19 pandemic, the world came to a standstill, but it could not dampen our farmers' spirits. Their relentless hard work is a reflection of the remarkable growth of industry and its positive contribution to the nation's GDP (Gross Domestic Product) and GVA (Gross Value Added).

Last year, the agriculture sector's share in the GDP was 17.8%, but this year, it increased to to a whopping 19.9%. Moreover, our nation hadn't witnessed this kind of phenomenal growth since the FY 2003-04.

Agriculture sector was also the only one that grew by 3.4 % growth while the entire economy contracted by 7.2%.

The tangible outcome of this unexpected growth was seen as continuous supply of food to everyone.

These victories were a result of planned farming, government's support to agriculture industry and favourable environmental factors like early monsoon and judicial use of agrochemicals.

Rice sowing covered 68.1 lakh hectares this year as compared to last year's 49.2 lakh hectares while oilseeds grew more than 3 times to 109.2 lakh hectares from last year's 33.6 lakh hectares. Pulses covered 36.8 lakh hectares, i.e. 4 times more than last year's 9.5 lakh hectares while coarse cereals coverage doubled to 70.7 lakh hectares.

Due to early monsoons, we witnessed a remarkable increase in the sowing of Kharif crops. With proper irrigation techniques and use of good agri-inputs, one can hope for an excellent crop yield. Moreover, devising and implementing a good irrigation technique will also help one save water for the next season.

We are using our expertise to help our farmers understand the benefits of judicious use of agrochemicals. Government, associations as well as companies are working with the farmers to ensure the same.

Companies are striving hard to come up with products that are tailored to enhance their farming experience and give better yield.

Agriculture sector's victories during these bleak times have been our silver lining in FY2021. Our focus is to work together to keep up with this pace and help them grow and prosper in the following years too.

CHAIRMAN'S OVERVIEW

EXPERIENCE & EXPERTISE

KEY TO SURVIVING ANY ADVERSITY

Dear Shareholders,

Your company, Insecticides (India) Limited aims at bringing the best crop protection solutions within the reach of every small and marginal farmer since its inception. Better yield ensures agricultural growth which brings financial security to farmers and stability to other sectors and eventually to our nation.

Growth in Agriculture Sector

Indian agriculture is responsible for the livelihoods of more than half of the population. Both public and private sectors have taken multiple initiatives towards improving agricultural inputs with technological interventions and knowledge management systems.

Agriculture production has also grown from last year, which is a silver lining during such dark times.

Augmenting Ourselves

Your company continues to invest in its resources to ensure quality products and services. The brown field expansions in our plants enhanced our production capacities & capabilities. We also began operations at the new Export Oriented Unit in SEZ (Special Economic Zone), Gujarat last year. Our R&D wing continues to put in their heart and soul to come out with new technologies.

We are harnessing the power of social media to engage with wider audience. Our virtual initiatives aided in business continuity, thus resulting in minimal supply chain disruptions.

The growth story

FY2021 was a challenging year. It started with the unprecedented outbreak of Covid-19 adversely impacting economy and people across the world. The domestic agrochemical industry was also affected as lockdowns curbed the operations to a certain extent. Industry faced challenges in terms of raw material and packaging material availability as well. With on-ground sales and logistics constraints also creating pressure on the businesses, it was a difficult time. However, India's agriculture system demonstrated its resilience amidst such adversities and in a short span of time, its output performance began to improve. IIL also strived hard to continue on the path of growth despite all odds.

BONDING WITH FARMERS

Ensuring farmers' holistic welfare is the foundation of our alliance with the them. The pandemic might have robbed us off of many things, but it could not take away one thing from us, i.e., our spirit of working with and for the farmers. Our team stays constantly in touch to understand their challenges and discuss ways of overcoming them in an efficient, cost-effective and accessible manner. Our nation's years of scientific research, farmers' valuable experience and our expertise in the field helps us devise innovative solutions.

In the year 2020-21, Revenue from Operations of your company stood at Rs. 1,420 crores, marking a growth of 4.2% from last year, EBITDA and Net Profit stood at Rs. 152 crores and Rs. 93 crores respectively. Total dividend of Rs. 2 per share i.e., 20% on face value, was announced during the year.

Looking Forward

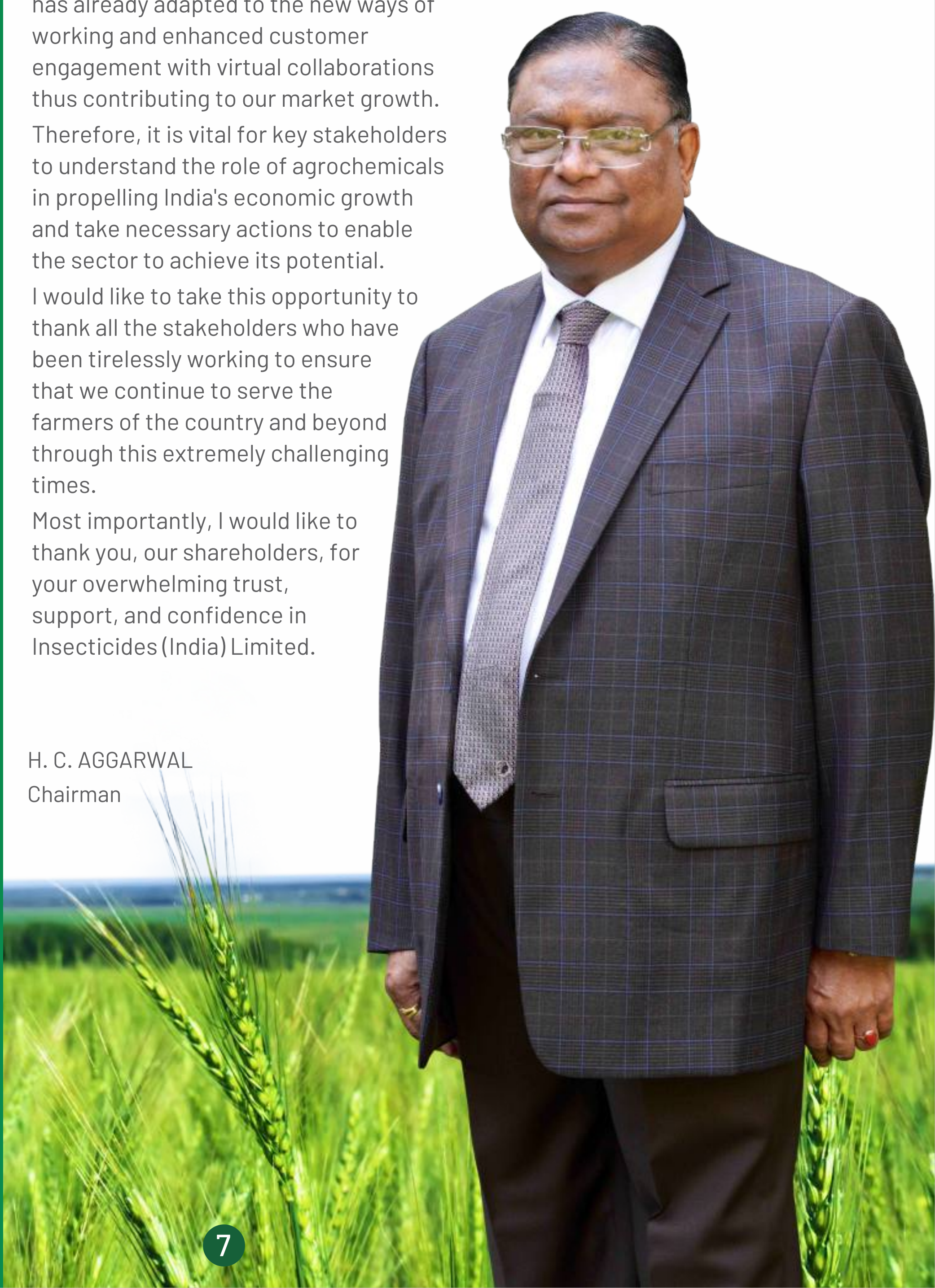
Agrochemicals play a major role in managing loss of yield due to pests and diseases, and improving overall agricultural output. We plan to bring latest technology and products in the coming year as well from our collaborations and R&D. Your company has already adapted to the new ways of working and enhanced customer engagement with virtual collaborations thus contributing to our market growth.

Therefore, it is vital for key stakeholders to understand the role of agrochemicals in propelling India's economic growth and take necessary actions to enable the sector to achieve its potential.

I would like to take this opportunity to thank all the stakeholders who have been tirelessly working to ensure that we continue to serve the farmers of the country and beyond through this extremely challenging times.

Most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support, and confidence in Insecticides (India) Limited.

H. C. AGGARWAL
Chairman



MD'S THOUGHT PROCESS

FINDING BEACONS OF HOPE

Dear Shareholders,

FY21 transformed our lives. However, one thing that remained constant at IIL was our commitment and compassion. At a time when several organizations took drastic measures to remain cost competitive, we fully supported our team and ensured their well-being to the best of our abilities. We remain committed to uphold the culture of togetherness, along with a professional working environment. During the lockdown, as team was concerned about their well-being and the future of their families, we engaged in regular discussions and tried to motivate them to stay positive, committed and focused.

With the unparalleled efforts of the team even during the pandemic times, your company launched seven new products last year to further improve product mix, which received an overwhelming response and contributed Rs. 32 crores to net sales. I am also pleased to announce that our products Lethal GR and Tadaaki have started substituting Thimet sales during the year and have registered annual sales of Rs. 56.5 Crores. We look forward to a good contribution and growth from these two products in the coming year too.

Committed to continue on the path of bringing in the latest technology products, your company has recently launched Hachiman, a patented herbicide mixture with Nissan, Japan, which is a part of our 5-6 new product launches this FY22. Management team is equipped and committed to growth with new products, improve product mix and increase brand business which will help in scaling new heights.

Five growth fundamentals of your company are purposeful brands, improved market penetration and creating value for the farmers, impactful innovations to bring new technologies for the farmers, and augmenting the manufacturing for world class products.

The agrochemical industry played a crucial role in increasing the yield. High performance agrochemicals are also integral to high-value farming like horticulture and export-oriented agriculture. As the fourth-largest agrochemical industry in the world, India has the potential to become a global manufacturing hub.

In the year 2020-21, we witnessed our farmers' hard work bear fruits of success as they outdid themselves. They not only showed growth in terms of productivity, they also broke years of stagnancy. Their victory was possible due to their invaluable experience and assistance by the full agriculture industry.

Last year also helped us to learn and grow. 2020's unpredictable nature made the world adapt to a virtual world. We held our first virtual 23th Annual General Meeting last year which was huge success. We acquainted our team and farmers with the digital world so that they can access it not only for farming, but other activities like education and training too.

With our portfolio of over 100 formulation products and over 21 technical grade products, we are continuously working on introducing new technologies that will be effective to protect and sustain the requirement of the agriculture in future.

I whole heartedly thank all the stakeholders for their putting their trust in us as we promise them another successful year ahead.

I take this opportunity to thank you all for your unwavering support and commitment that continues to make IIL a frontline runner in the industry.

RAJESH AGGARWAL
Managing Director

Last year, we focused on all of our business verticals of the Brand sales, Institutional sales as well as Export sales and have got good response from our channel partners.

As people will seek to make changes in the way they live, work, and travel, winners will be the organisations that guide customers through the transition with innovative ideas and solutions. I am sure inherent resilience and the unparalleled dedication of our team will help us navigate through the exciting times ahead and continue to create unmatched value for all.

OUR PILLARS OF STRENGTH

MEET OUR BOARD OF DIRECTORS

Mr. H.C. Aggarwal
Chairman C C

Mr. Rajesh Aggarwal
Managing Director C M M

Mrs. Nikunj Aggarwal
Whole Time Director M

Mr. Virjesh Kumar Gupta
Independent Director C M M M

Mr. Navin Shah
Independent Director M M

Mr. Jayaraman Swaminathan
Independent Director C M M

Mrs. Praveen Gupta
Independent Director C M M

Board Committees

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

C Chairman
M Member

MISSION

Our purpose, what we are

We work to make agriculture sustainable and profitable for our farmers, by using simple and effective technologies to ensure food security for all.

VISION

Our dream, our big contribution to this planet earth

We will make this earth greener and cleaner through our work and our various product portfolio that will become the first choice for all farmers worldwide.

OUR TEAM

THE ARCHITECTS OF OUR GROWTH

At IIL, we believe that developing and maintaining a conducive work culture is imperative for an organisation to attain its full potential. We are focussed on sustaining an engaged and skilled workforce that is capable of delivering on the commitments to our stakeholders and making us 'future ready' structurally, financially and culturally.

Human resource has always been a key differentiator for Insecticides (India) Limited. Our ability to deliver long-term value rests on the principles of participative management. Our culture exemplifies our core values and nurtures innovation, creativity and diversity. It encourages high performance through continuous development and opportunities for growth, enhancing engagement and experience through our distinctive reward and recognition programmes.

We believe that an engaged workforce produces extraordinary business results. Our people's practices focus on 'Engage to Excel'. We endeavour to create an environment where employees experience a sense of belongingness, pride and opportunity to deliver to the best of their potential. We have adopted a holistic approach for workplace and individual well-being to ensure a rewarding and enriching work environment that is continuously innovating and improving customer satisfaction, productivity and sustainability. Not withstanding the current environment caused by COVID-19 pandemic, engagement continues stronger through Connect, Communicate, Collaborate and Care. Several initiatives that enable mixed ways of working at site, in the field, in offices and from home, balancing the business and individual requirements. Policies that offer support and care for employees and family members affected by COVID-19 has been put in place and precautions like vaccinations and safety training are also carried out.

1250+ Employees

500+ in Manufacturing & Research

500+ in Sales and Marketing

250+ in Branch and Head Office

Average age of Team IIL : 35 years

BRAND PRINCIPLE

To bring synergetic benefits to farmers by providing a comprehensive range of crop protection.

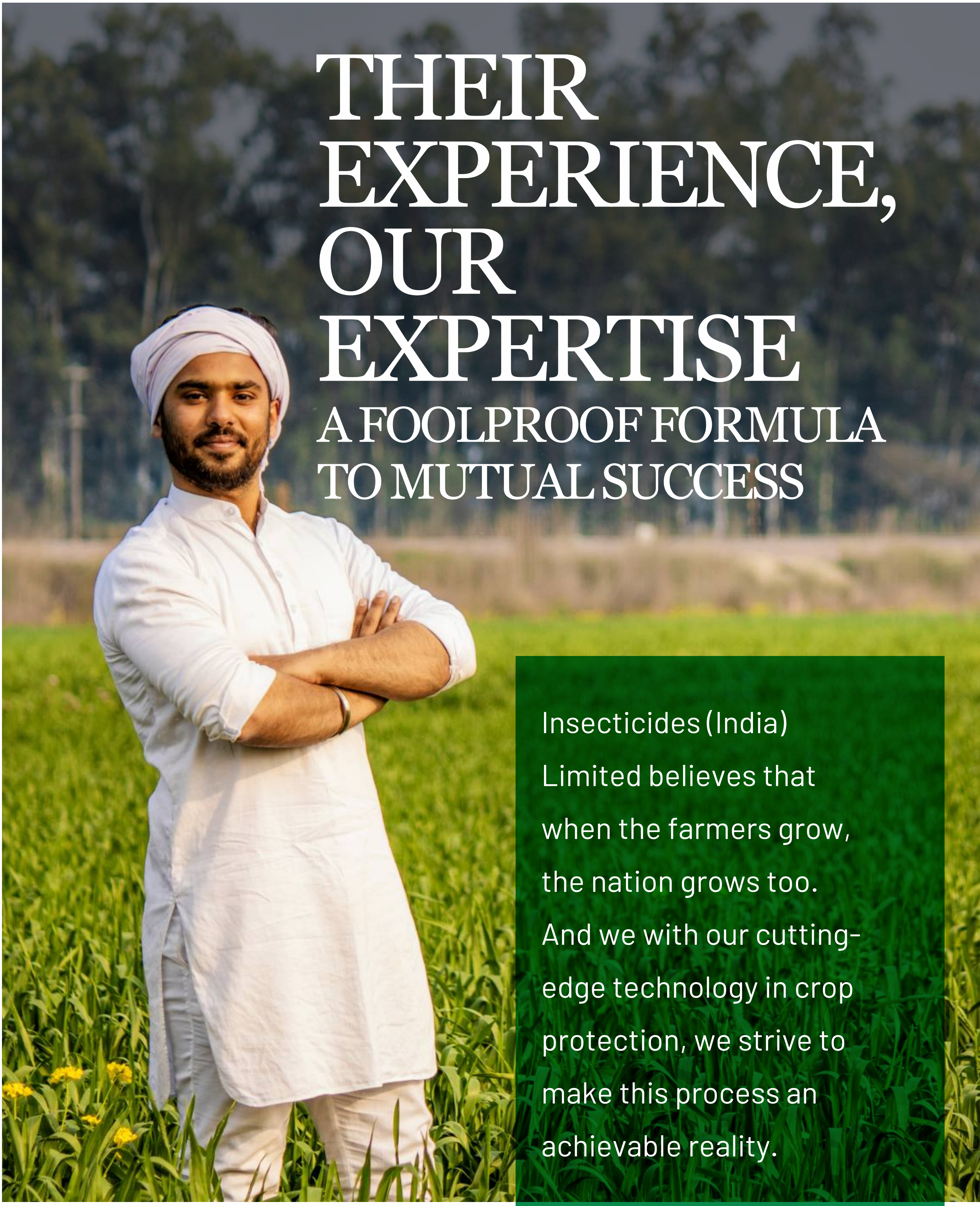
Continuously adopting innovative measures

Always evolving in best interest of farmers

Advancing towards sustainable agricultural practices

Eco-friendly production

Ultra-modern automated manufacturing for consistent quality and safety



THEIR EXPERIENCE, OUR EXPERTISE

A FOOLPROOF FORMULA TO MUTUAL SUCCESS

Insecticides (India) Limited believes that when the farmers grow, the nation grows too. And we with our cutting-edge technology in crop protection, we strive to make this process an achievable reality.

We are continuously investing in new technology to come up with affordable and effective products in the market. And our success is not determined by our sales, it is always determined by our farmers' valuable feedbacks and their enhanced productivity.

Their constant encouragement and support inspires us to do more for the under represented segments of the sector and set them on the path of growth too.

Despite this year's unprecedented challenges, we were able to launch 7 new products in the market.

We wish to carry on with this spirit and help our farmers in every step of their lives.

28 branch offices for distribution

6 Manufacturing Units
2 Technical Synthesis Plants
6 Formulation Plants
&
1 Biological Plant*
*under toll arrangements

20 years of service to farmers

Annual turnover is INR 1420 Cr. in FY 20-21

1250+ Employees

Expanding in the new international markets

100+ Formulation Products

22 Technical Products

21 Maharatna Products

7 New Product Launches

GROWTH STRATEGY

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

- Focus on in-house R&D and international partners to launch new products
- Launched 7 new products in FY21
- Expect 5-6 new products next year

International Business

- Working on registration in new countries with 100+ export agreements
- Expanding in new geographies: Exporting to 20+ countries Expand to 50+ countries and 100+ customers by the end of FY23

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

Phasing out Generic Products

- Phasing out the Generic Products (high volume-low margin)
- Introduction of new products in the Maharatna category and moving up the value chain

Optimum Capital Structure and Operational Efficiency

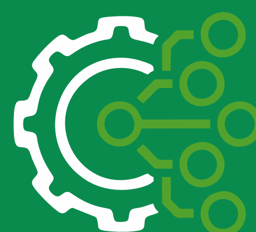
- Focus on sustainable generation of cash flows
- Capex of Rs. 1.1 bn in next 2 years in a phased manner. Out of the above capex half of the amount has already been spent during FY2021

Focussed Approach on Biologicals

- Developed and commercialized soil energizer, KK PRO
- Developed 3 new biological products

POWERING THROUGH CHALLENGING TIMES WITH IMPACTFUL STRATEGIES

Capacity Enhancement



Upscaling of Technology

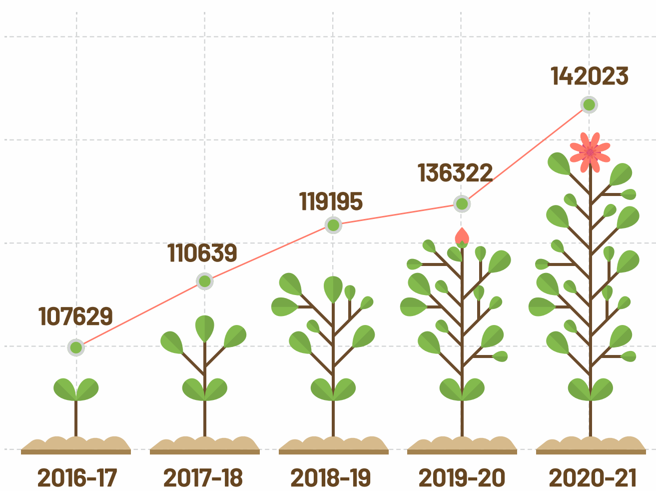
Product Expansion

New Product Launches

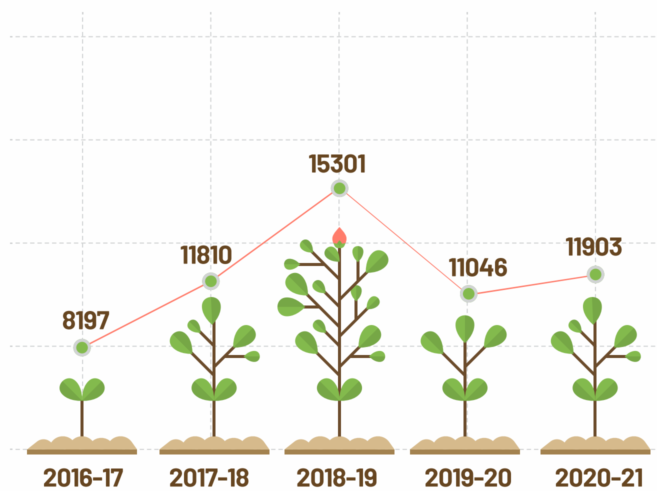
IPR

Modern Productivity

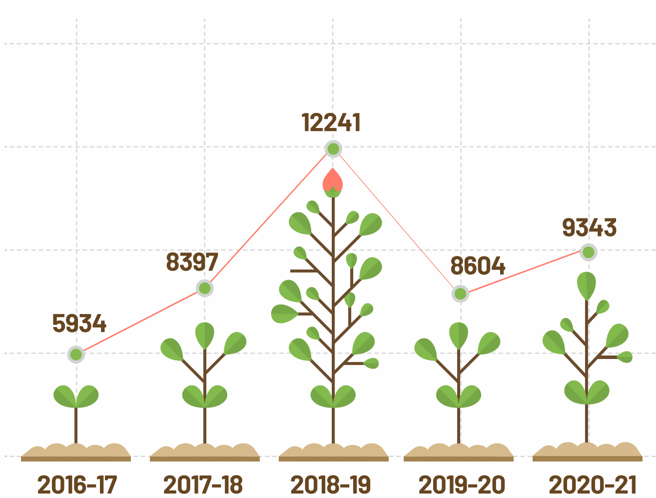
VISION OF GROWTH COMES TO LIFE



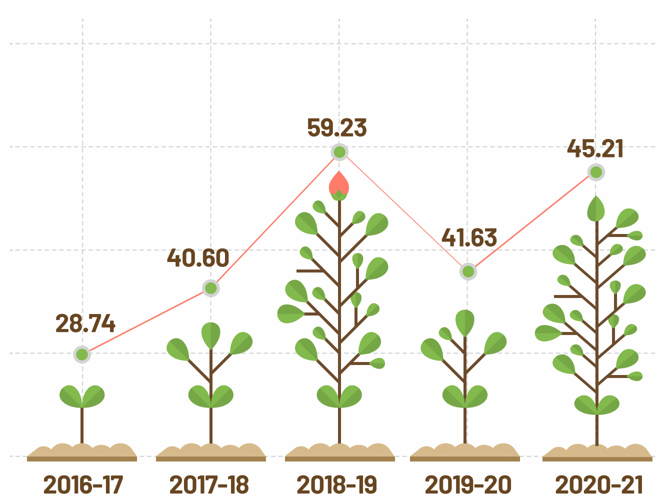
Net Revenue (₹ in lacs)



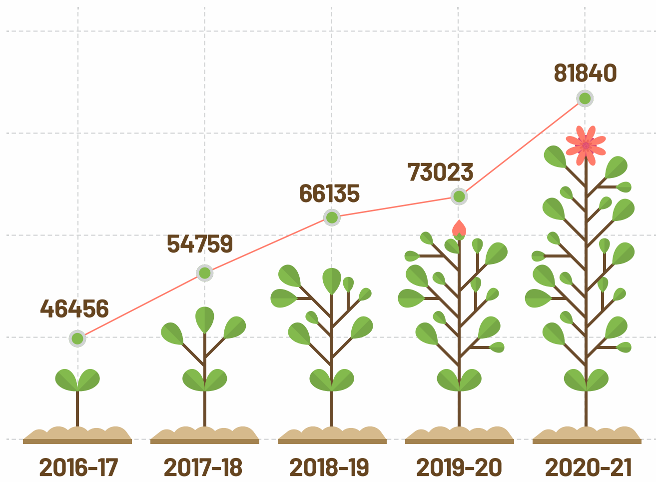
Profit Before Tax (₹ in lacs)



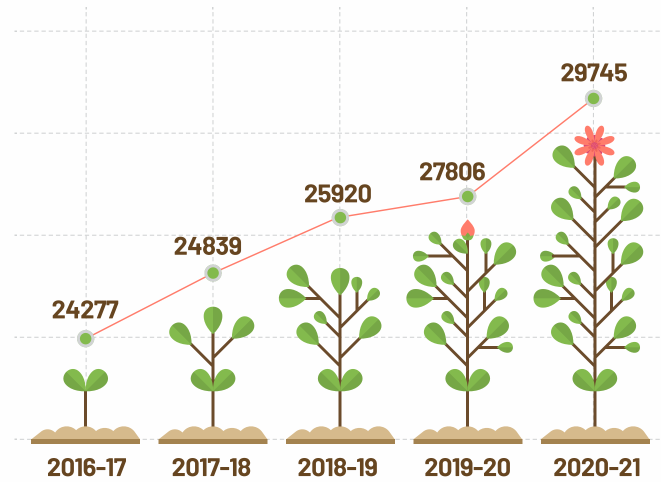
Net Profit (₹ in lacs)



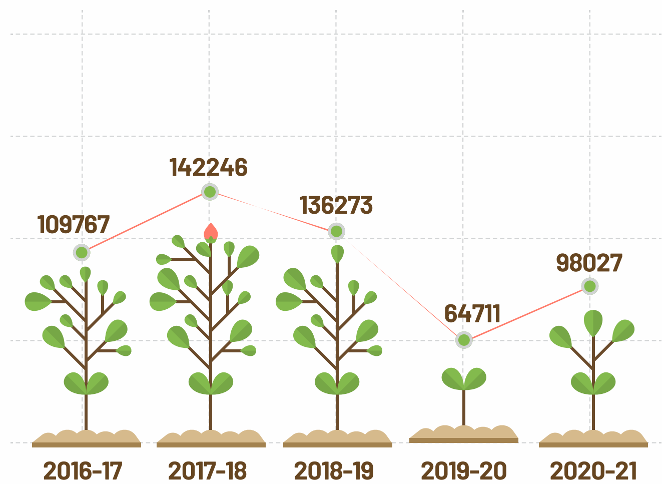
Earning per share (₹)



Net Worth (₹ in lacs)



Net Block of assets (₹ in lacs)



Market Capitalisation* (₹ in lacs)

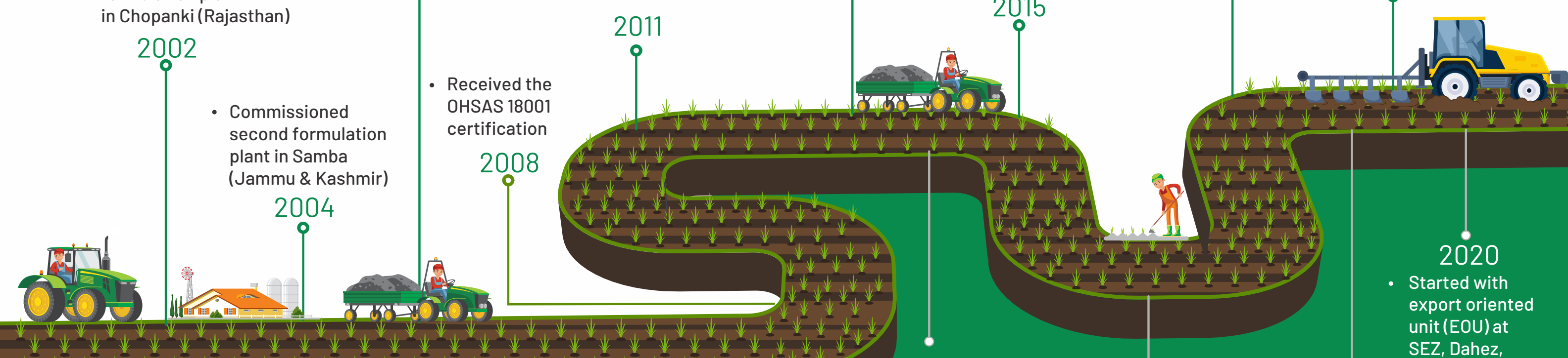
Figures are restated as per IND AS
*Market Capitalisation based on year end closing share price quoted on BSE Ltd.

insecticides (INDIA) LIMITED

Featuring in top 10 performing companies of FY 21 in agrochemical sector

PERFECT BLEND OF EXPERIENCE AND EXPERTISE FOR HOLISTIC GROWTH

WALKING DOWN THE MEMORY LANE



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

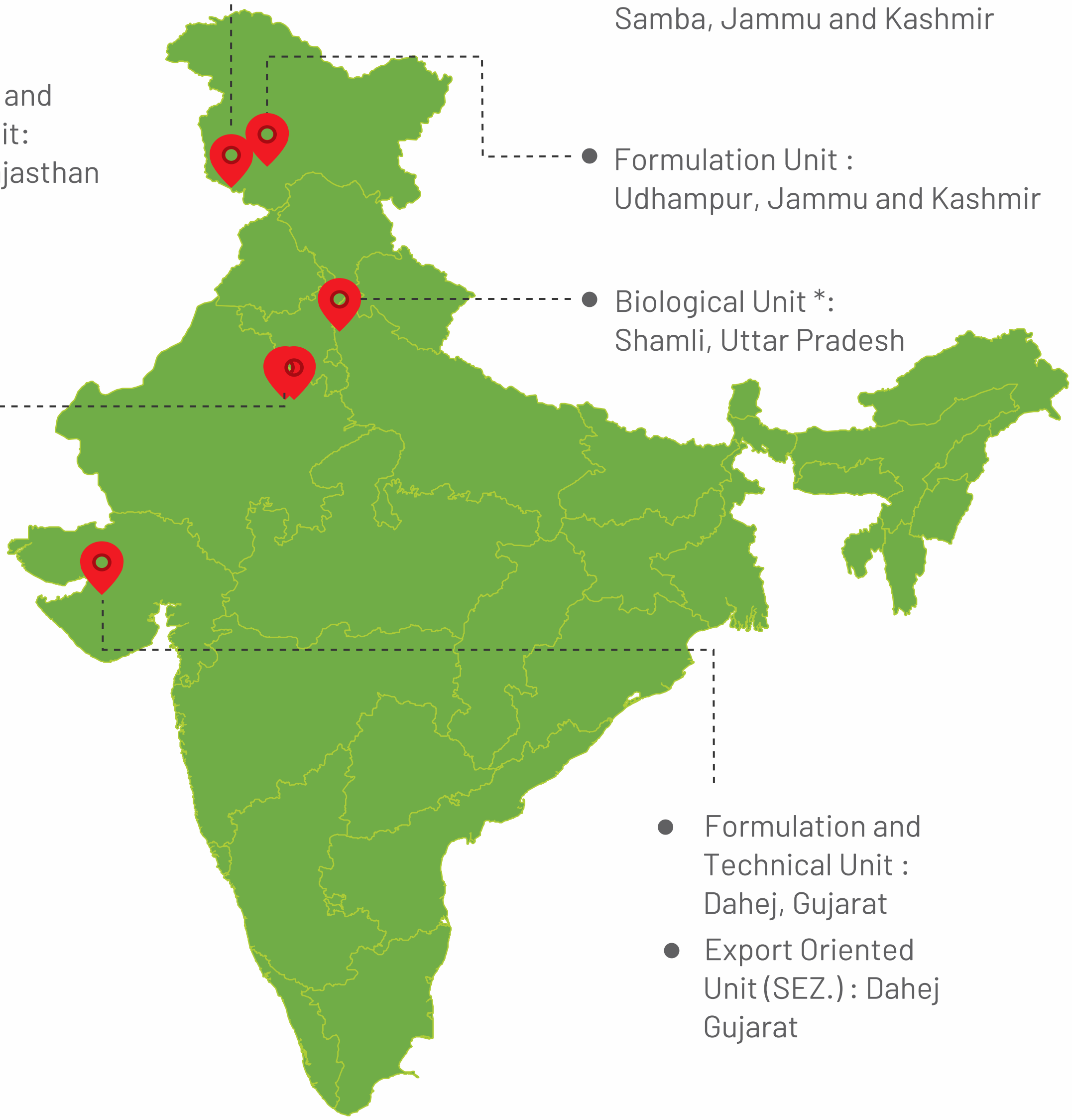
2019
- Launched CHAPERONE and KUNOICHI

2020
- Started with export oriented unit (EOU) at SEZ, Dahez, Gujarat

...And it is just the beginning!

MANUFACTURING CAPABILITIES

- Formulation Unit : Samba, Jammu and Kashmir
- Formulation and Technical Unit: Chopanki, Rajasthan
- Formulation Unit : Udhampur, Jammu and Kashmir
- Biological Unit *: Shamli, Uttar Pradesh
- Formulation Unit II: Chopanki, Rajasthan



- Formulation and Technical Unit : Dahej, Gujarat
- Export Oriented Unit (SEZ.) : Dahej Gujarat

AGGREGATE INSTALLED CAPACITY

19,400 KLPA Liquid	75,750 MTPA Granules	18,770 MTPA Powder	13,800 MTPA Active Ingredient & Bulk

* Under Toll Arrangement

RESEARCH & DEVELOPMENT

SHORT TERM:
- Launch new generic products going off-patent (Reverse Engineering)

MEDIUM TERM:
- Launch latest technology products through international partners
- Launch new combination products

LONG TERM:
- Launch proprietary discovery products (chemicals and biologicals)

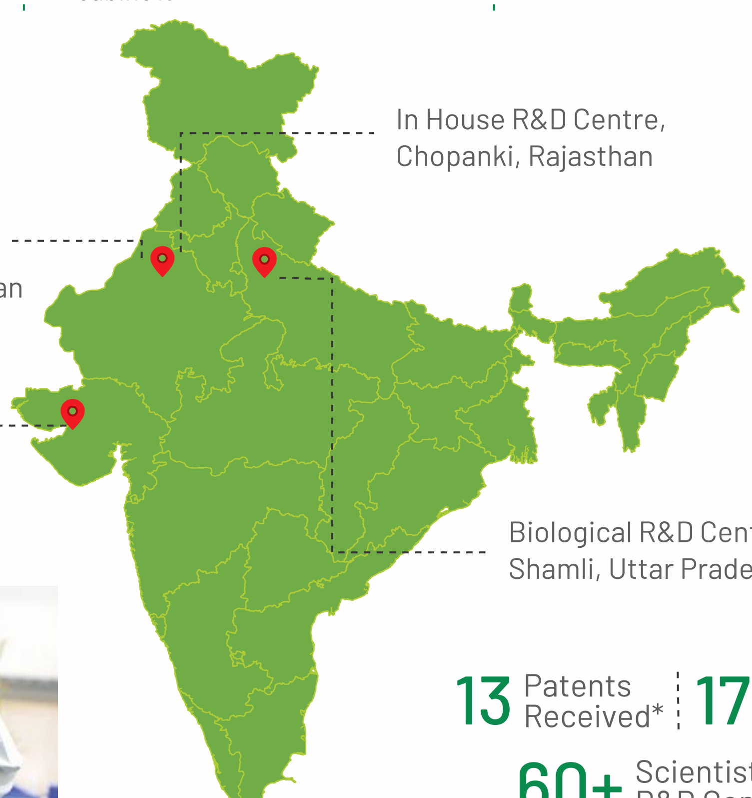
State-of-the-art in house R&D centre established in 2005
- Approved by DSIR, Ministry of Science and Technology
- Working on new formulations and new combination products

Formulation R&D Centre
- Development of new generation formulations
- Focus on cost reduction, customer- friendly and environment-safe products

Product Invention R&D Centre

A unique initiative of product discovery in India by forming a JV with Japanese company, OAT Agrio Co. Ltd.
- Equipped with the latest machines and equipment's like NMR, Lab set designed by Kewanee, USA
- Lead by the internationally renowned scientists with more than 25 years of experience
- One of its kind breeding centers, bio assay rooms and spray cabinets

Biological R&D Centre
- Equipped with bio assay and product development facilities
- Looking forward to development of 3-4 new biological products



13 Patents Received* | **17** Patents Pending

60+ Scientists in R&D Centres

*As in June 2021

EVOLVING IN ALL DIRECTIONS

R&D

NABL QC Labs

In-house R&D Centre

JV with OAT Agrio Co., Japan for dedicated invention R&D Centre

Biological R&D Centre

MANUFACTURING

6 Manufacturing Units

2 Technical Synthesis Plants
6 Formulation Plants
&
1 Biological Plant*
*under toll arrangements

MARKETING

Sales & Market development

Branding

International Tie-ups and collaborations

DEVELOPMENT & TRAINING

Emphasis on field activities

Farmer awareness

Sales force training

* Under Toll Arrangement

INTERNATIONAL BUSINESS OUTLOOK

Highlights in 2020-21

IIL established as a trusted partner having geographic presence in more than 20 Countries

Set Up Formulation facility in Dahez SEZ area for supplying innovative formulations

Invested in data generation ; Regulatory compliance & registrations for business expansion

Leveraged Chemistry strength for innovative products

KEY FOCUS AREA AHEAD

Geographic & Market expansion through innovative & New generation Eco-friendly product

Strengthening R&D, process scale-up for Contract Manufacturing

Investment in data generation compliance to global regulatory guidelines

New pilot plants facility to strengthen process scale-up capabilities

Integrated approach to entire value chain through forward & backward integration

Aggressive Use of Digital Technology in order to display IILs competency & capabilities

BUSINESS OUTLOOK

Expectation of demand for Agrochemicals to go up with recovery in Global Economic scenario due to Covid pandemic situation

Countries pushing vaccination drive very aggressively will trigger economic activities

Expectation of demand going up for current Active Ingredients with correction in key RM & PM Cost

Expectation of more demand Cost-effective and high performance broad spectrum product

Global registration & regulatory activities will further drive growth for new products

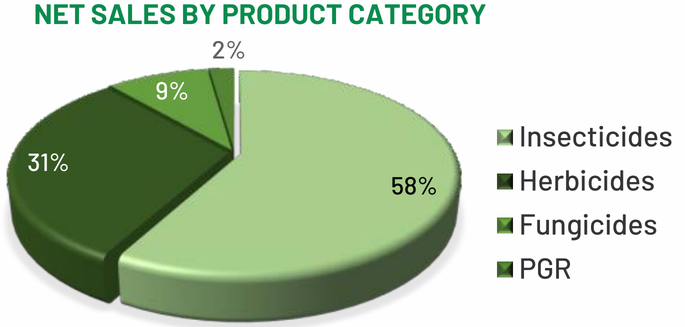
Improvement in logistics & transportation activity & reasonable correction in logistic cost

CHARTING OUR GROWTH

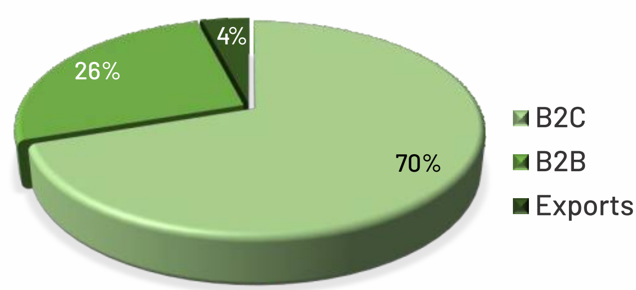
THANK YOU FOR YOUR OVERWHELMING RESPONSE AND MAKING THEM A BIG SUCCESS

SEGMENT REPORTING – FY 2021

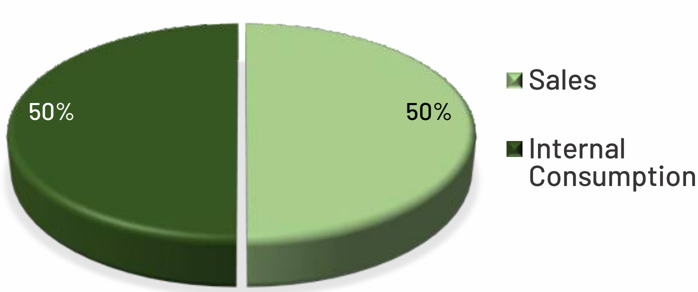
NET SALES BY PRODUCT CATEGORY



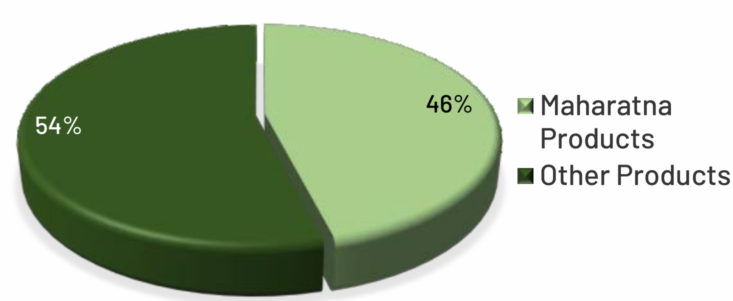
NET SALES BY SEGMENT



NET SALES VS INTERNAL CONSUMPTION



BREAKDOWN OF TOP SELLER RANGE IN B2C

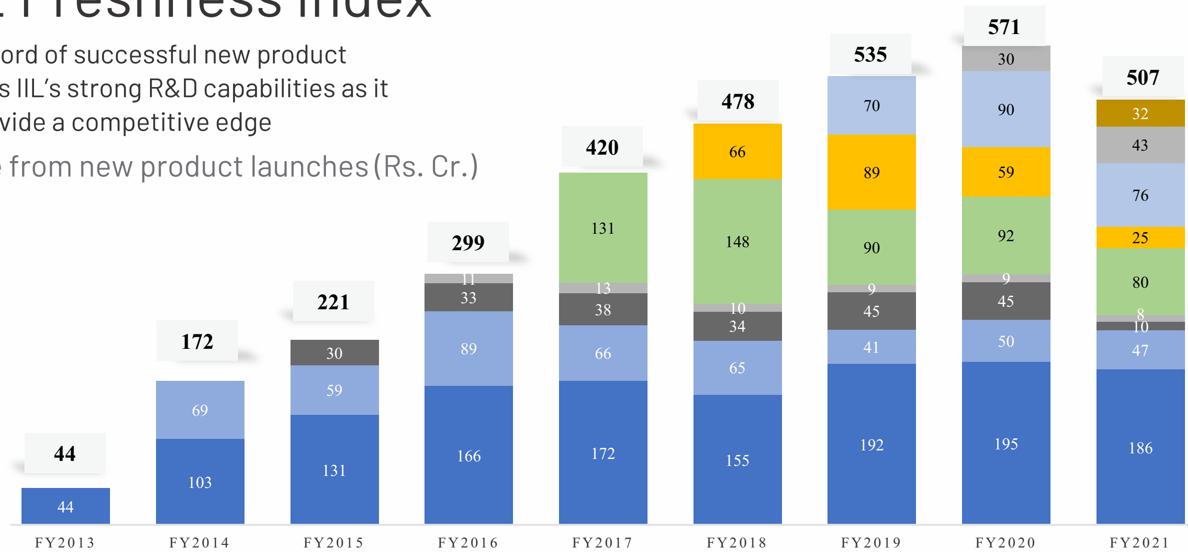


CREATING A FRESH IMPACT WITH OUR NEW PRODUCTS

Product Freshness Index

Proven track record of successful new product launches exhibits IIL's strong R&D capabilities as it continues to provide a competitive edge

Gross Revenue from new product launches (Rs. Cr.)



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
New Products launched during the year	5	5	3	2	5	5	8	8	7
% of Revenue from Operations	7.1%	19.9%	22.9%	30.3%	37.9%	43.1%	44.8%	41.9%	35.7%

WARRIORS OF 2021-22

HEROES OF 2020-21

OUR LEADING PATENTED PRODUCTS

RECOMMENDED BY

Punjab Agricultural University, Ludhiana, Punjab

PULSOR PROVIDES EFFECTIVE PROTECTION TO PADDY AGAINST SHEATH BLIGHT

RECOMMENDED BY SKUAST KASHMIR

SKUAST (Sher-e-Kashmir University of Agricultural Sciences and technology, Kashmir)

Kunoichi gives effective control of mites in apple

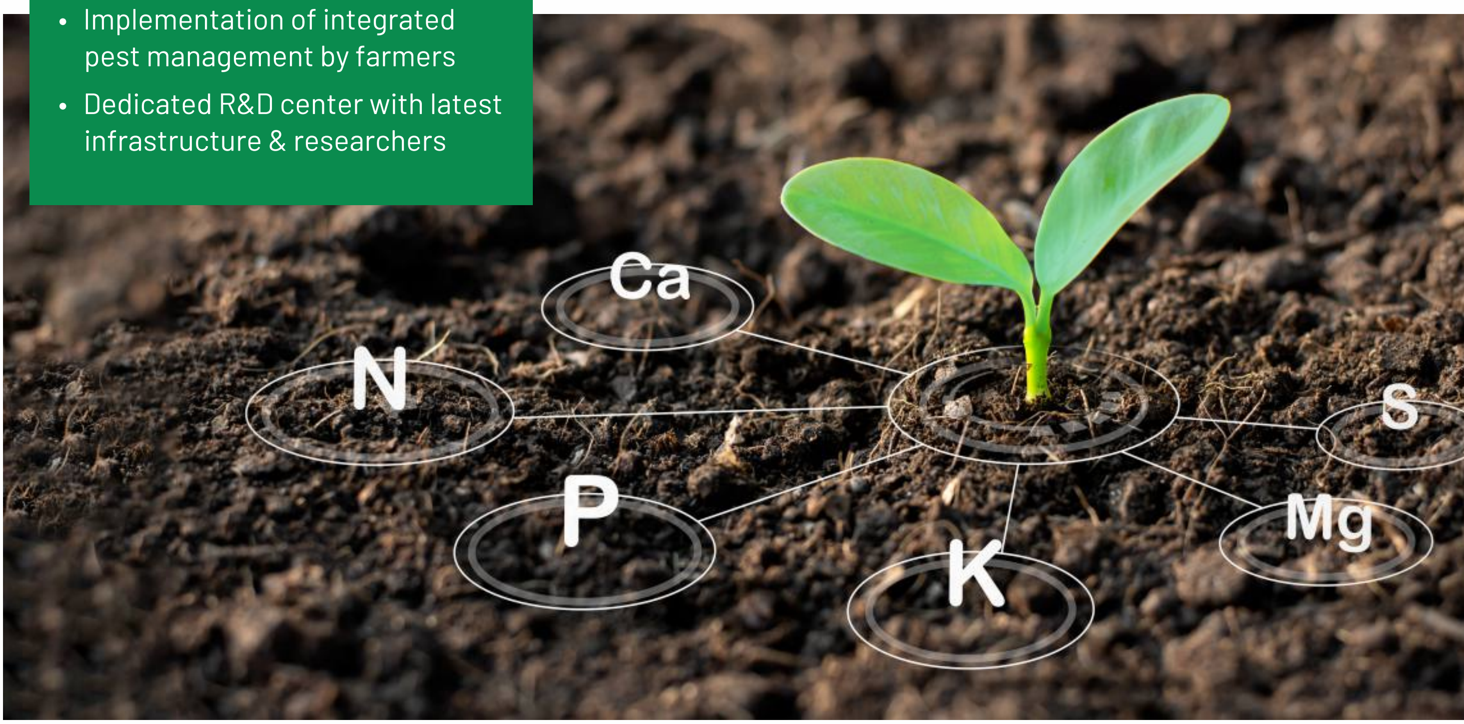
STRIKING A SUSTAINABLE BALANCE IN AGRICULTURE WITH BIOLOGICAL PRODUCTS

> "Agro Chemicals and biological input need to coexist to bring synergistic benefits to farmers."

With a range of more than 100 products in its kitty, IIL aims to provide a balance between organic and non-organic products to encourage holistic and sustainable ways of farming. IIL proudly owns an In - House R&D Centre for Biologicals in Shamli, Uttar Pradesh that mainly focuses on developing biological products for sustainable agriculture by engaging in developing processes and products of biologicals. They also engineer technology that compliments the products before sending them for commercialisation.

OUR GREEN FOOTPRINT

- Implementation of integrated pest management by farmers
- Dedicated R&D center with latest infrastructure & researchers



OneCert Approved Input For Organic Agriculture As per NPOP

CERTIFIED ORGANIC PRODUCTS

COLLABORATING WITH THE BEST TO GIVE OUR FARMERS THE BEST

MOMENTIVE™
USA

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

NISSAN CHEMICAL CORPORATION
JAPAN

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

Nihon Nohyaku Co.,Ltd.
JAPAN

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

OAT Agrio Co., Ltd.
JAPAN

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

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

DEALING WITH COVID-19

The entire world was brought to an abrupt standstill due to the rapid spread of Corona virus in March 2020. It severely impacted people's way of lives and their work. It was the same case with us and our farmers. The future was uncertain, but with certain steps, we were able to find ways to move forward.

OUR TEAM COMES FIRST

In March 2020, we announced Work from Home for our office team. They were familiarized with connecting and carrying out work digitally from the safety of their homes. They were given the necessary resources to adapt to this change effectively. Our on-site team and marketing team were given adequate safety gear to contain the spread.

MEETING WITH FARMERS

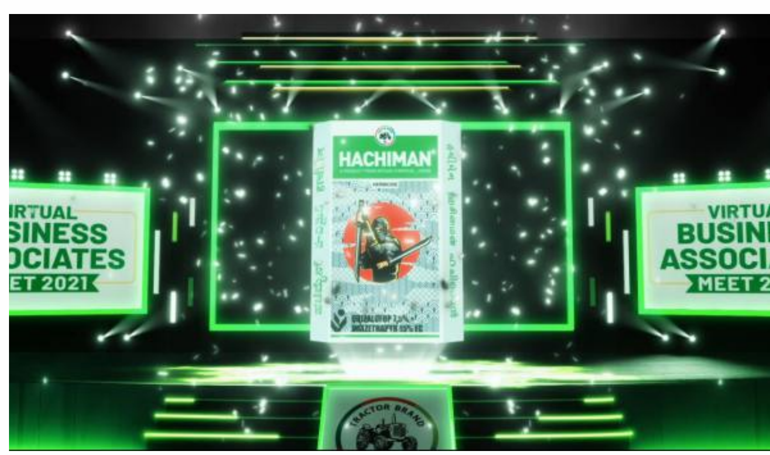
Despite the uncertainties imposed by Covid-19, we made sure that we were in regular contact with our farmers. Meeting them in person was not possible, so we began holding our meetings digitally. Our team introduced the concept of virtual meeting to them so that they could easily contact us whenever they wanted to. It also opened up a new path for our marketing and sales team to reach out to them, listen to their concerns and report to the head office so that constructive steps can be taken to resolve them. They were also able to have a better reach as they interacted with them to further understand their needs, the shortcomings they were facing, etc. so that we could bridge the gap with the help of technology.

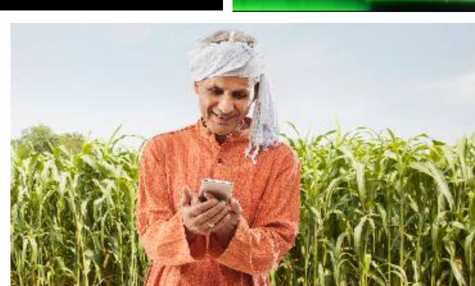
DIGITAL LAUNCHES OF OUR NEW PRODUCTS

Our farmers' growth is pivotal to us and the nation. To ensure that it was not hampered by Covid-19, we launched our products digitally. This not only helped us reach to a more diverse audience which would not have been possible in an offline launch, but it also helped us celebrate our achievements with our farmers. The warm reception encouraged us to venture further and create more products for them.

BRINGING IIL EXPERT TALKS TO THEM

We harness the power of social media to bring our experts' advice to our farmers with Facebook live sessions. Our experts not only educate them about the correct usage, but they also address their queries.





हर क़दम, हम क़दम

A MESSAGE OF TOGETHERNESS TO BEAT THE ODDS.

IIL always stands with farmers through their expertise that brings progressive change in farming. We named this endeavour "Har Kadam, Hum Kadam". To reach out to our farmers and make them understand this message, we have launched a film where we have shown how farming in India is changing and the role of our products. We have shown how our R&D centre is playing a pivotal role in developing products that help farmers in increasing productivity. Our products include biological as well as chemical molecules that takes care of diseases, insects, weeds and also improve the fertility of the soil, thus increasing productivity. But without the proper knowledge about their usage, it is impossible to gain benefits. Our experts play a crucial role in spreading awareness through the digital medium by conducting seminars.

https://www.youtube.com/watch?v=BrzpdSVDtQ4

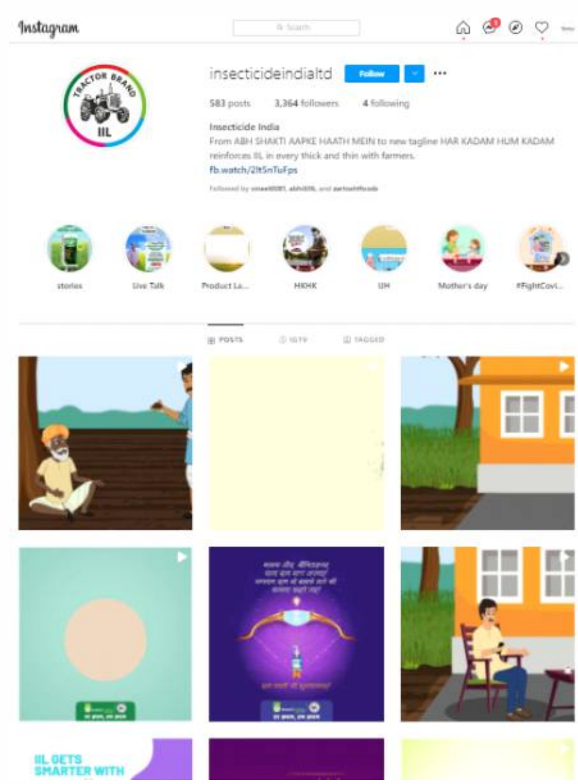
YOU CAN CALL THEM TAGLINES BUT FOR US IT'S COMMITMENT

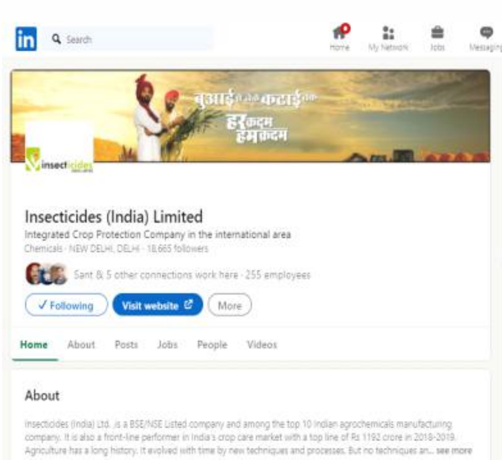
At IIL, we develop each and every product after rigorous research. But developing a product is not enough, communicating the product to the target audience is equally important. Our products are the solution to the problems farmers face with their crops. So, we carefully choose our words to make a crystal clear communication for them to understand.

BRINGING A PROGRESSIVE WAVE OF CHANGE WITH THE POWER OF DIGITAL MEDIA

DIGITAL MEDIA

Facebook	YouTube	LinkedIn	Instagram
116,549	11,299	21,422	3,605





CONTENT PUBLISHED

Campaigns

Product Promotion

Brand Leaders Interviews/Quotes

Cross Promotion

Topical Posts

Engagement Posts

Insecticides Jaroori Hai
A REVOLUTIONARY INITIATIVE BY IIL FOUNDATION

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

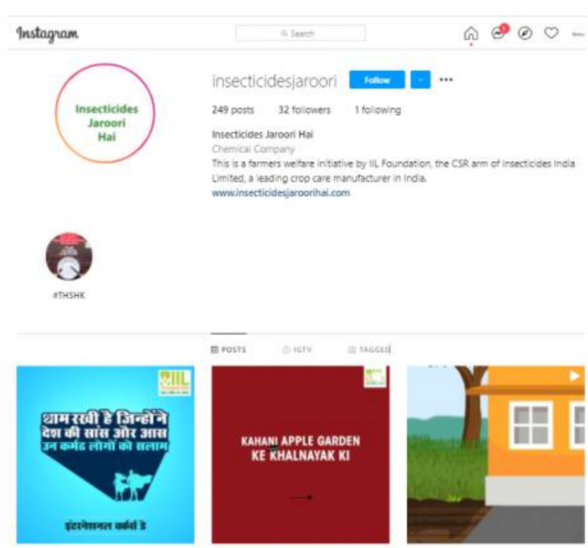
Adding to this, IIL Foundation has started a new initiative by launching a page on Facebook and creating You-Tube Channel called Insecticides Jaroori Hai.

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

The aim of this platform is to bust myths regarding the usage of insecticides. Here, we provide authentic information about farming, associated hurdles, and how a farmer can overcome them. We have reached out to the best minds in agrochemical industry around the country and asked them to educate our farmers about crop diseases as well as the judicious use of insecticides. We do this because knowledge is the key to growth in life.

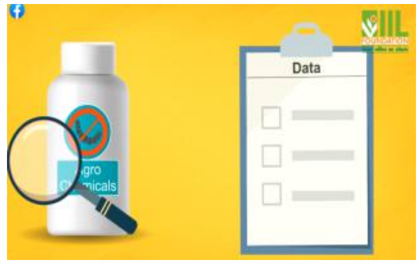
Come, join our page to start conversations and discussions on the benefits of using judicious amount of insecticides to improve crop health and bring happiness to the farmers.

DIGITAL MEDIA



CONTENT PUBLISHED

Hero Campaign of IJH

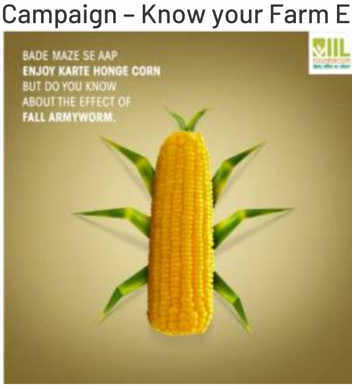


A series to bust myths around the usage of insecticides and other agrochemicals in the crops for better quality and quantity.

Campaign – Crop Biography

A campaign showcasing the important stages of the crops we consume and the insects which attack them during the process.

Campaign – Know your Farm Enemies



An awareness-driven campaign related to the insects and pests that harm the crops by providing ways to avoid them.

Facts/Trivia Posts

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

IIL FOUNDATION BRINGING A WAVE OF HOLISTIC GROWTH

IIL Foundation's primary goal is to conduct CSR activities in rural areas. IIL Foundation also played its role for the activities to support public by large against Covid 19. Over the last couple of years, it has been working on the following projects:

1. Spreading awareness about the judicious use of agrochemicals in rural as well as urban geographies with the aim of busting common myths and understanding the underlying cause of their concerns and apprehensions.

2. Collaborating with schools in rural India, to help children get better access to quality education. This year, the education system was one of the most affected sectors in any society. IIL Foundation worked towards bridging the technological gaps so that their education is not halted. 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.

Goodness is the only investment that **never** fails.

3.This year, IIL Foundation and National Food Security Mission (NFSM) have been working with farmers in the backward areas of Andhra Pradesh and Telangana to educate them about the latest techniques of farming and crop protection products. Our aim is to work on increasing their productivity at a minimal cost so that they can lead a financially secure and holistic life.

4. On the occasion of World Environment Day, IIL Foundation planted Trees for a better tomorrow. The plantation drive was conducted, near our plant at Chopanki, Rajasthan. Around 100 trees were planted in and around schools in Jodiamev and Chopanki. On this occasion, the IIL foundation pledged to continue this initiative in future for a better nature.

5. Distribution of masks and Sanitizers to farmers and Schools, donating oxygen concentrators and supporting the local administrative bodies in local awareness programs were on of the few initiatives under the Covid Prevention activities.

GETTING THE WORD OUT

By harnessing the power of media, we are able to talk about our brand and vision across various mediums and platforms. Every medium gives us an opportunity to educate and inform to reform people's conceptions about agrochemicals.

IIL arm in pact with NFSM

Hyderabad: Agrochemical company Insecticides (India) Ltd has taken up a CSR project under their foundation IIL Foundation to work for the farmers in the backward areas of the Andhra Pradesh State, with National Food Security Mission (NFSM). Under this project team of agri experts from the parent company of IIL Foundation will educate the farmers and also support them with the latest products so that they can use them and see the difference that these products can bring, so that they start with the modern farming instead of the traditional technique of farming. "We are very proud to be associated with NFSM. As a responsible corporate we will work in the interest of farmers so that their input cost is minimised and productivity is increased".

IIL foundation collaborates with FAST

HANS BUSINESS
HYDERABAD

INSECTICIDES (India) through its CSR wing 'IIL foundation' collaborates with Hyderabad-based not for profit Foundation for Agriculture Sustainability and Transformation (FAST) to help provide regular piece of information and advice to farmers through digital interventions on crop weather and infestation using its WhatsApp platform. The platform is up for use by mainly Telugu-speaking farmers of Telangana, Andhra Pradesh, and parts of Karnataka which is likely to benefit large number of farmers. The primary interventions of the programme are WhatsApp groups with close to 400 direct recipients who receive about 1500 customised messages on a periodic basis.

"We have recently done some educational programmes with National Food Security Mission, and organised some seminars in different parts of the States for the awareness of judicious use of agro chemicals. However, Covid-19 has forced us to suspend such physical activities, but we have collaborated with FAST to reach out the farmers in digital way and share the latest advice to farmers based on the current situation," said V K Garg, Vice President Southern Region, Insecticides (India) Limited.

FARMERS EXPLAINED BENEFITS OF MODERN FARMING

VIJAYAWADA: Agrochemical Company Insecticides (India) Ltd. has taken up a CSR project under their foundation IIL Foundation to work for the farmers in the backward areas of Andhra Pradesh, with National Food Security Mission (NFSM).

As part of this project, a team of agri experts from the parent company of IIL Foundation will educate farmers and also support them with the latest products, modern farming techniques instead of the traditional technique of farming. On Saturday, a programme was organised at Darmavaram village in Echerla mandal of Srikakulam district. Agriculture Officer Usha Rani, Assistant Director, Agriculture Raviprakash and MPTC B Rajarao attended the programme and addressed the farmers and explained to them the benefits of modern farming.

Company vice-president VK Garg said that, "We are very proud to be associated with the National Food Security Mission (NFSM). As a responsible corporate, we will work in the interest of farmers so that their input cost is minimised and productivity is increased. Paddy is a major crop of India and is the staple source of nourishment for people in the eastern and coastal India. We are hopeful that we would be able to do justice to the trust posed by the government officials on our team.

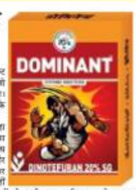
ఐఐఎల్ ఫౌండేషన్ తెలంగాణ, ఆంధ్రప్రదేశ్‌లోని
రైతుల కోసం డిజిటల్ ఇంటర్వెన్షన్

గిరిజన రైతులకు వ్యవసాయ మందుల పంపిణీ

గిరిజన రైతులకు మందులు అందిస్తున్న మంత్రి అప్పలరాజు

तीसरी पीढ़ी के नियोनिकोटिनोइड समूह का कीटनाशक है डोमिनेन्ट

इंसेक्टिसाइड्स इंडिया ने डोमिनेन्ट कीटनाशक लांच किया



ఐఐఎల్ డిజిటల్ ఇంటర్వెన్షన్

హైదరాబాద్: కోవిడ్-19 కారణంగా రైతులలో మారుతున్న కమ్యూనికేషన్ దృష్టిలో ఉంచుకుని, ప్రముఖ వ్యవసాయ రసాయన సంస్థ ఇన్సెక్టిసైడ్స్ (ఇండియా) లిమిటెడ్ యొక్క వింగ్ ఫౌండేషన్ హైదరాబాద్‌తో సహకరించింది. ఈ సందర్భంగా ఇన్సెక్టిసైడ్స్ (ఇండియా) లిమిటెడ్ ప్రతినిధి మాట్లాడుతూ సిఎస్ఆర్ ఆర్మ్ ఐఐఎల్ ఫౌండేషన్ ద్వారా, రైతుల విద్యా కార్యక్రమాలలో భాగంగా శిబిరాలను నిర్వహించడానికి ప్రసిద్ధి చెందింది. మేము ఫాస్ట్‌తో కలిసి డిజిటల్ పద్ధతిలో రైతులను చేరుకోవడానికి, ప్రస్తుత పరిస్థితుల ఆధారంగా రైతులకు తాజా సలహాలను పంచుకున్నామన్నారు.

తెలుగు రాష్ట్రాల్లోని
రైతులకోసం డిజిటల్ ఇంటర్వెన్షన్

सोना | चांदी | डॉलर | अजीत समाचार 10 सितम्बर, 2020

इंसेक्टीसाइड्स (इंडिया) द्वारा मेड इन इंडिया डोमिनेंट कीटनाशक लांच

दिल्ली मंडियों की दैनिक समीक्षा

చింతలతండాలో రైతు అవగాహన సదస్సు

విజయపురిసౌత్: చింతలతండా గ్రామంలో జాతీయ ఆహార భద్రత సంస్థ, ఇన్‌సెక్ట్ సైడ్స్ ఇండియా లిమిటెట్ ఆధ్వర్యంలో గురువారం రైతు అవగాహన సదస్సు నిర్వహించారు. ఈ సందర్భంగా ఇన్‌సెక్ట్ సైడ్స్ డిస్ట్రిబ్యూటర్ చుండూరు శ్రీనివాసరావు రైతులకు రసం పీల్చే పురుగులు, గులాబీ రంగు పురుగుల నివారణకు తీసుకోవాల్సిన జాగ్రత్తలు గురించి వివరించి రైతులకు ఉచితంగా పురుగు మందులు పంపిణీ చేశారు. కార్యక్రమంలో మాచర్ల అగ్రికల్చర్ అధికారి లక్ష్మారెడ్డి, ఏఈఈవో రంగానాయక్, ఆర్ఎంఎం జయరామిరెడ్డి, డీవో గురవారావు, రైతులు పాల్గొన్నారు.

సాక్షి Fri, 02 October 2020 https://epaper.sakshi.com/c/55377064

Insecticides (India) launches 'Dominant' for paddy, cotton

Insecticides (India) Ltd. (IIL) has launched 'Dominant' — a new systemic, third-generation neonicotinoid group of insecticides, to control brown plant hopper in paddy and sucking pests in cotton. This is the first time that this technical formulation will be made in India. Dominant keeps the crop green and healthy resulting in improved quality and productivity due to its high efficacy on target pests.

రైతు సంక్షేమమే ప్రభుత్వ ధ్యేయం

● ఎమ్మెల్యే కంబాల జోగులు

రాజాం రూరల్: రైతు సంక్షేమమే ధ్యేయంగా వైఎస్సార్‌సీపీ ప్రభుత్వం పని చేస్తోందని ఎమ్మెల్యే కంబాల జోగులు అన్నారు. స్థానిక ఎమ్మెల్యే క్యాంపు కార్యాలయంలో జాతీయ ఆహార భద్రతా మిషన్‌లో భాగంగా లక్ష్మీపురం గ్రామానికి చెందిన రైతులకు ఐఐఎల్ కంపెనీ ఫార్ములా మందులను మంగళవారం పంపిణీ చేశారు. ఈ సందర్భంగా ఆయన మాట్లాడుతూ ఆర్‌బీకేలు ఏర్పాటు చేసి రైతులకు అన్ని సేవలు గ్రామాల్లోనే లభించే విధంగా ముఖ్యమంత్రి అవకాశం కల్పించారన్నారు. సబ్సిడీ ద్వారా రైతులకు కావాల్సిన ఎరువులు, విత్తనాలు, పురుగు మందులు అందించడం జరుగుతుందన్నారు. దీనిలో భాగంగా ఐఐఎల్ కంపెనీ అందించిన జింకు, పల్సర్, కాయకల్ప మందులను అందజేయడం జరిగిందన్నారు. మందులు కావాల్సిన రైతులు ఆర్‌బీకేలోని కియోస్క్ ద్వారా రిజిస్ట్రేషన్ చేసుకుంటే ఇంటి వద్దకే మందులు అందించడం జరుగుతుంద

రైతులకు పురుగు మందులు అందజేస్తున్న ఎమ్మెల్యే జోగులు

Awareness camp for farmers

Visakhapatnam: Agrochemical Company Insecticides (India) Ltd's IIL Foundation organised an awareness camp at Darmavaram village in Srikakulam district in association with National Food Security Mission on Sunday. The objective of the camp was to make farmers aware of modern innovations in farming. Around 50 farmers attended. TNN

Farm advice for ryots on WhatsApp

BUSINESS BUREAU
Hyderabad

Agrochemical company Insecticides (India) Limited's CSR wing IIL Foundation has collaborated with Hyderabad-based Foundation for Agriculture Sustainability and Transformation (FAST) to provide information and advice as per weather and infestation through WhatsApp.

The platform is up for use by farmers of Telangana, AP, and parts of Karnataka. Close to 400 recipients get about 1,500 customised messages on a regular basis. Agricultural officers, farm input dealers, input company's representatives, NGOs, FPOs are associated with it. The beneficiaries also can access YouTube Live programmes on key crops cotton, rice, chilli, and mango as well as farm visits and National Food Security Mission crop seminars of the government. "We wish to expand such services in other vernacular languages too," said. VK Garg, Vice president for southern region of IIL. "The success of the programme is due to access to smartphones, Wi-Fi services and farmers' ability to capture farm problems and sharing them," said P Ramachandra Murthy, president, Agriculture Sustainability and Transformation.

Close to 400 recipients get about 1,500 customised messages on a regular basis through the platform

ESTABLISHING A STRONGER AND GREENER TOMORROW TOGETHER

At IIL, we believe that our work does not end with production and sale of our products. Rather, this marks the beginning of a progressive change. Our dedicated team has designed a plan to educate our farmers about the judicious use of agrochemicals. From understanding what kind of formulation to its appropriate usage, we walk them through the entire process. Our process of reaching out to farmers include:

EDUCATING FARMERS

We aim to equip our farmers not only with the means to a better yield, but also explain the science behind it in their language.

CORRECT USAGE OF AGROCHEMICALS

The next step involves a thorough run-through about the correct way of using agrochemicals. From safety gear to the right proportions, we help them understand how this knowledge and ample preparation can help them have a better yield.

CREATING AWARENESS IN REMOTE AREAS

Our outreach programs are designed to make an impact in both accessible and remote areas. Our team travels extensively to these areas and talk to the people to understand their troubles and help them overcome them with the use of knowledge and technology.

Management Discussion and Analysis

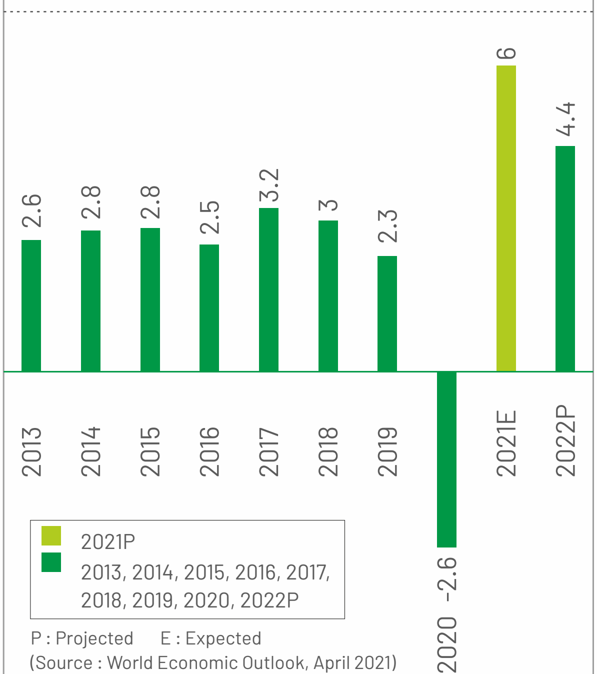
1. **Global and Indian Economic Overview**

Financial Year 2020 began with a significant slowdown in demand in most of the economies of the World. Previous 2 Financial Years were affected and influenced by several events ranging from the after-effects of deteriorating US-China trade relationships, uncertainties around the US Presidential elections, volatile crude prices, the closure of Brexit deal and so on. But far above these disruptions, the breakout of the worldwide Covid-19 pandemic was more catastrophic, leading to severe contractions across economies. Months of uncertainty and fear, paralysed economic activities in both developed and developing economies. Trade and tourism came to a halt, while job and output losses saw a steep rise. Consumption dropped further, putting pressure on global Gross Domestic Product (GDP). The world GDP fell by an estimated 3.3% in 2020 - the sharpest contraction of global output since the Great Depression Governments around the world; however, acted quickly and boldly to brace for the health and economic ramifications of the crisis.

(Source: World Economic Outlook, April 2021).

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.

World Real GDP Growth (%)

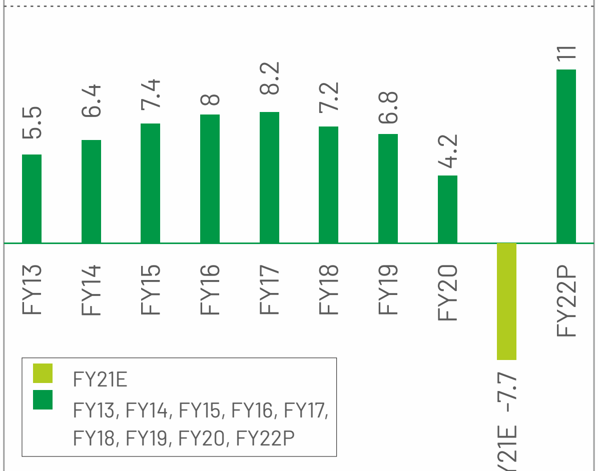


P : Projected E : Expected
(Source : World Economic Outlook, April 2021)

The Indian economy is undergoing a V-shaped recovery, showing strong signs of revival. The positive economic symptoms are underpinned by the rollout of vaccine, increase in mobility, privatization and the Government's strong financial impetus. There is, however, an uncertainty about the nature of the ongoing recovery, but with strong prospects of growth in consumption and investments, the GDP is estimated to grow at 11% in FY 2021-22.

Further, waves of the virus could, however, affect the economy and makes the overall outlook uncertain.

Indian Economic Growth Output (%)



P : Projected E : Expected
(Source : Economic Survey 2020-21)

2. **Annual overview of Indian Agriculture and Agro-Chemical Industry**

Agriculture is the primary source of livelihood for about 58% of India's population. Gross Value Added by agriculture, forestry, and fishing was estimated at Rs. 19.48 lakh crore (US$ 276.37 billion) in FY20. Share of agriculture and allied sectors in gross value added (GVA) of India at current prices stood at 17.8 % in FY20. Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

Principal agricultural commodities export for April 2020 - January 2021 was US$ 32.12 billion.

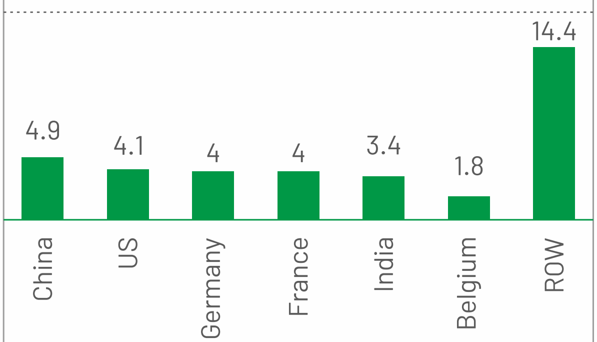
The Economic Survey of India 2020-21 report stated that in FY20, the total food grain production in the country was recorded at 296.65 million tonnes-up by 11.44 million tonnes compared with 285.21 million tonnes in FY19. The government has set a target to buy 42.74 million tonnes from the central pool in FY21; this is 10% more than the quantity purchased in FY20. For FY22, the government has set a record target for farmers to raise food grain production by 2% with 307.31 million tonnes of food grains. In FY21, production was recorded at 303.34 million tonnes against a target of 301 million tonnes.

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.

The Indian agrochemicals industry was valued at around

Top agrochemical exporters by value in 2021 (in USD billion)



Source : World's Top Exports

*ROW : Rest of the World

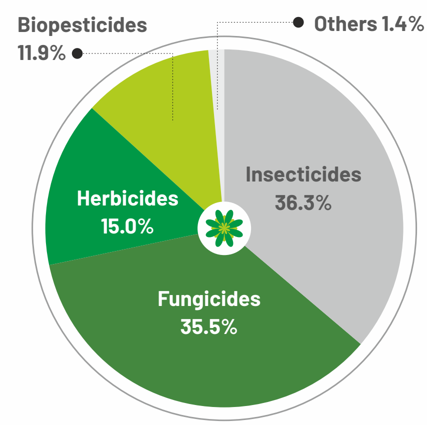
INR 44,000 crore in FY21 out of which domestic consumption was worth around INR 21,000 crore, while exports during the same period were worth around INR 23,000 crore. The industry is expected to grow at a CAGR of 8-10% till 2025 and will be driven by several growth levers like increasing population, decreasing arable land, increasing demand for high-value agricultural products and increasing efforts from the industry and the Government to promote awareness and technology penetration.

(Source : Ministry of Agriculture & Farmers Welfare, GOI and FICCI)

Industry Turnaround:

- Industry is increasingly focusing on digitisation to drive better analytics, decision making and traceability across the value chain. Digital tools such as farmer apps and dealer management systems (DMS) are helping companies in undertaking tailor made approaches for different market segments. The COVID-19 outbreak has further pushed an already growing trend of technology and internet usage in rural areas, thus creating a favourable digital environment.
- On the regulatory front, the industry has witnessed some emerging trends such as aerial spraying of agrochemicals being allowed on interim basis for locust control and a proposed ban on 27 agrochemical molecules, amongst several others.
- Some of the evolving go-to-market models are being considered and adopted by the industry. These include direct selling to Farmer Producer Organisations (FPOs) as alternatives to traditional.

Share of different agrochemical products by volume of usage in 2020-21 (technical grade)

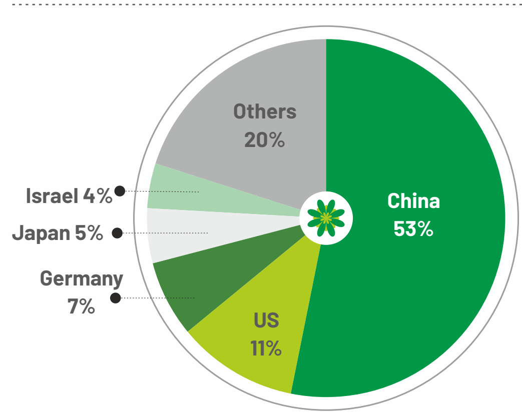


Source : Statistical database, Directorate of Plant Protection, Quarantine and Storage

Industry Dependency on Imports

The Indian agrochemical industry is highly reliant on import of raw materials and technical intermediates. In FY20, China alone contributed to around 49% of India's total pesticide imports (valued at INR 9,096 crore).

Share of major contributors to India's agrochemical imports in 2020-21



Source : Export Import Data Bank, Directorate General of Foreign Trade

3. Opportunities and Challenges

Opportunities

The Company is working diligently to capitalize opportunities such as:

Consumer awareness: Consumer awareness in the context of agrochemicals is low, especially when it comes to selection and usage of right products at the right time. The Company is providing information to the farmers through various programmes to advance agronomic knowledge of the farmers. The Government should also strengthen its extension efforts through its network of Krishi Vigyan Kendras (KVKs) and extension bodies equipped with the latest best practices in crop production.

Technology interventions: Services such as spraying of agrochemicals are vastly dominated by manual operations, with only a few agrochemical/ farm equipment players and start-ups trying to introduce technology interventions in these services. Improvements in agrochemical application related technology may improve usage and application efficiency while tackling issues such as scarce availability and increased costs of farm labour during peak requirements.

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 FY21 and is expected to grow at a CAGR of 15% over the next five years to reach ~0.8USD billion by FY22. 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.

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.

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.

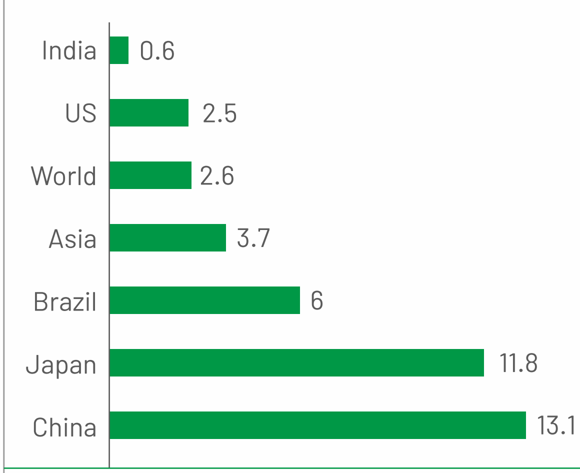
Challenges of Indian Agro-Chemical Industry

Lack of awareness and non-scientific usage: The average farmer in India lacks proper knowledge of agronomy and relies mostly on skills and knowledge gained with experience or from product recommendations at a point of sale, i.e. by an agri input retailer. This lack of awareness and usage of agrochemicals based on habit and non-scientific recommendations may lead to over usage of a particular product (which might be required in a lesser quantity) or underusage of a product (which might have been required in a higher quantity), thus resulting in sub-optimal yields and returns for farmers.

High reliance on generic molecules: Agrochemical consumption in India is represented by high usage of generic molecules, some of which have been continuously used for decades. The adoption of newer or better molecules, although increasing, is still low. This trend is prevalent in India for multiple reasons. The high R&D cost for agrochemicals, coupled with a complex registration procedure has deterred companies from introducing new molecules to the market. Premium-priced better molecules are unaffordable for a large segment of farmers. Farmers have also become dependent on off-patented generic molecules as they are affordable and being used for years.

Low usage of agrochemicals: Agrochemical usage in India is low when compared to many agriculturally advanced nations and the global average. In 2021, agrochemical usage in India was 0.6 kg/ha. The figure below compare India's per hectare pesticide usage with other countries.

Pesticide consumption by country in 2021 (kg/ha)



Source : FAOSTAT

Lack of education and awareness among farmers: It is important to educate the farmers about the appropriate kind of pesticide, its dosage, 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 problem.

Regulatory framework: The Indian agrochemicals industry is regulated by the Directorate of Plant Protection, Quarantine and Storage which consists of bodies like the Central Bureau of Insecticides and Registration Committee (CBI&RC) and Central, regional and state pesticides testing laboratories. The Insecticides Act, 1968, and the Insecticide Rules, 1971, are the two major acts that regulate the industry. Changes in Rules and Regulations pose challenges to adapt and alter the present arrangements.

4. Company Overview

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 pan India. 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, Lethal Gold, Hercules, Pulsar, Green Label, Hakama and lethal super etc.

Our vision is 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 stands today amongst the leading agrochemical 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 today is 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.

Engaged in the manufacturing and marketing of crop-protection products

Four product categories : Insecticides, Herbicides, Fungicides, Biologicals and Plant Growth Regulators (PGRs)

Distribution network of 375+ SKUs, 5,000+ Distributors and 60,000+ retail networks

Total 16 registration approved under 9(3)

4 R&D centres - Developing a comprehensive range of agro chemical products

State-of-the-art manufacturing facilities in Chopanki (Rajasthan), Samba & Udhampur (Jammu & Kashmir) and Dahej (Gujarat)

Owner of the prestigious Tractor brand, highly popular among the farmers

100+ Formulation Products

60,000+ Retail Outlets

21 Maharatna Products

22 Technical Products

7 FY21 New Product launches*

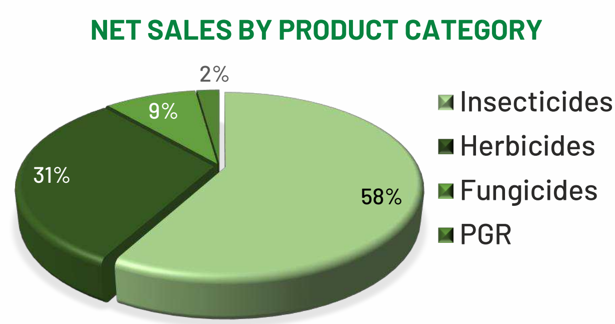
5 Annual Target of New Product launches*

1,250+ Employees

5. Segment-wise and Product wise Performance

The Company has flexible manufacturing approach with a combination of in-house manufacturing as well as an outsourcing model supported by strong in-house R&D. The capacity of our multi-purpose plants ranges from kilograms to multi-tonnes. We have a long-term experience of Technical and Formulations. Our R&D division are established at strategic locations within the proximity of Manufacturing Plants at Chopanki (Rajasthan), Shamli (UP) and Dahej (Gujarat) and supports our Formulations and Techincal manufacturing segment.

Segment Revenue Breakup (%)



6. Financial Highlights

FY2020 was a challenging year for the world. The agro-chemical sector was also impacted owing to availability of raw material and packaging material with on ground sales and logistics constraints also created pressure on the businesses. However, our encouraging results are a true testament to our focused strategies and resilience amidst such adversities and in a short span of time, its output performance began to improve.

The Company's Revenue from Operation was Rs. 1,420.23 Crores in FY 2021 as compare to Rs. 1,363.20 Crore in FY 2020. Reported increase by 4.2%. Total branded sales declined marginally by 0.4%, while, Maharatna sales grew by 3.7% whereas other branded

The Company's Net Profit for FY 2021 is Rs. 93.43 Crore as compare to Rs. 86.00 Crore in FY 2020 reported increase of 8.6%.

Ratio Analysis :

Ratios	Formula	FY 2021	FY 2020	Deviation
Inventories Turnover Ratio (in days)	*[(Inventories* No. of days)/ COGS]*	2.99	1.89	58.08%
Interest Coverage Ratio	*[EBIT/ Finance Cost]*	20.36	5.63	261.82%
Current Ratio	*[Current Assets/Current Liabilities]*	1.86	1.81	2.43%
Debt Equity Ratio	*[Debt/ Shareholders Equity]*	0.25	0.11	-54.81%
Operating Profit Margin Ratio	*[EBIT/ Revenue from Operations]*	1.0057	1.0097	-0.3888%
Net Profit Margin Ratio	*[Profit Before Tax/Revenue from Operations]*	0.07	0.06	3.86%
Return on Net Worth	*[Profit for the year/Net Worth]*	11.42	11.78	-3.11%

Inventory Turnover and Debtor Turnover

The Company strategically improved its Inventory and debtor turnover by fast movement of Inventory and reduced the debtor cycle.

Debt

The consolidated debt of the Company as on March 31, 2021 stood at Rs. 9636.62 lakhs, against Rs. 18762.14 lakhs last year. Overall working capital utilisation reduced due to timely realisation of debtors leading to improvement in interest coverage ratio as well.

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.

7. Human Resources

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, 2021, the Company directly employed more than 1,272 people.

8. 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 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.

9. 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 as well, 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.

10. 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 review the reports of the internal auditors and recommends actions for further improvement of operations in general and financial controls in particular.

11. 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)

12. 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 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.

13. 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, 2021.

1. Financial Results and State of Company's Affairs

(₹in Millions, except per equity share data)

Particulars	March 31, 2021	March 31, 2020
Operating revenue	14202	13632
Other Income	77	26
Total Revenue	**14280**	**13658**
EBITDA	**1,523**	**1,559**
EBITDA Margin (%)	***10.7%***	***11.4%***
EBIT	1,354	1,344
EBIT Margin (%)	*9.5%*	*9.8%*
Finance Cost	67	239
PBT before Exceptional Item	1,287	1,105
PBT before Exceptional Item Margin (%)	***9.0%***	***8.1%***
Exceptional Item	97	0.00
Profit After Tax (PAT)	**934**	**860**
PAT Margin (%)	***6.5%***	***6.3%***
Earnings Per Share (EPS)	45.21	41.63

During the year under review, revenue of the company has increased to Rs. 1,420 Crores from Rs. 1,363 Crores in FY2020 with a growth rate of 4.2%. EBITDA has decreased by 2.3% to Rs. 152 Crores from Rs. 155 Crores as compared to same period last year. Profit after Tax (PAT) increased by 8.6% to Rs. 93 Crores from Rs. 86 Crores in FY2020.

- Revenue from operations increased, primarily driven by increase in institutional sales (+19.7%). Total branded sales declined marginally by 0.4% while Maharatna sales increased by 3.7%
- Despite Covid-19 challenges the Company able to deliver stable topline growth with slight decline in EBITDA margins. However, net profit increased by 8.6% with improvement in profitability margins of the company during the period
- Company has implemented various cost control measures and focused on managing working capital through higher cash sales and collection which has helped in delivering stable performance during the year

2. COVID-19 Updates

Since FY2020, COVID-19 has impacted the life of every individuals including organizations, the needs of the business has rapidity changes and organizations required to adapt according to the Changing Environment. We, at IIL swiftly reacted according to the changes and provided the required support to the workforce, farmers and the community, when it's needed the most. The Company puts all its efforts to quickly restore the normalcy of operations amid an unprecedented global crisis, IIL continue to succeed as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

3. Dividend

The Company paid an Interim Dividend of Rs. 2/- (20%) per equity share having face value of Rs. 10/- each for the financial year 2020-21 as against the Interim Dividend of Rs. 4/- (40%) per equity share for the financial year 2019-20. The aforesaid payment of Interim Dividend may be treated as Final Dividend for the Financial Year 2020-21.

4. Share Capital

The Board of directors of the Company has, vide its Board Meeting held on March 30, 2021, approved the Buyback by the Company of its fully paid-up Equity Shares of face value of Rs. 10/- each at a price not exceeding Rs. 575/- (Rupees Five Hundred and Seventy Five only) per Equity Share and for an aggregate amount not exceeding Rs. 60/- Crore (Rupees Sixty Crores only), from the shareholders/beneficial owners of the Company excluding its promoters, and members of its promoter group, and persons who are in control of the Company, payable in cash from the open market through the stock exchange mechanism under the Buyback Regulations in accordance with the provisions of the Companies Act, 2013, as amended read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014.

The paid up Equity Share Capital of the Company as on March 31, 2021 was Rs. 2066.78 Lacs. Apart from the above, there was no change in the Company's Share Capital during the year under review.

5. 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.

6. Award and Recognitions

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

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

During the FY2021 your Company has not granted any Loan, Guarantee or provided securities under Section 186 of the Companies Act, 2013 read with rules framed thereunder.

8. 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.

9. 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, 2021.

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.**

10. Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year 2020-21 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 https://www.insecticidesindia.com/investors-desk/ of the Company.

11. Transfer to Reserves

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

12. 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.

13. 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:

https://www.insecticidesindia.com/investors-desk/

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.**

14. 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 available at https://www.insecticidesindia.com/investors-desk/ and also annexed herewith as **Annexure - 3** to this Report.

15. 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 https://www.insecticidesindia.com/investors-desk/

16. 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 top 10 employees remuneration are annexed as **Annexure-4(a)** under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Managerial Personnel) Rules 2014.

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

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

17. Directors

Pursuant to the Provisions of Companies Act, 2013 ("Act"), the Shareholders in the 23rd AGM of your company held on September 04, 2020 appointed Mrs. Praveen Gupta (DIN: 00180678), as an Independent Non-

Executive women director of the company for a period of five years' term upto February 14, 2025. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended her Appointment for a period of 5 years.

Mr. Vinod Kumar Mittal (DIN: 07421742) ceased to be an Independent Director of the company w.e.f. December 21, 2020 due to the health issues. The Board places on record its appreciation towards valuable contribution made by Mr. Vinod Kumar Mittal during his tenure as an Independent Director of the Company.

Pursuant to the Provisions of Companies Act, 2013 ("Act") and the Articles of Association of the Company, Mrs. Nikunj Aggarwal, (DIN: 06569091) director of the Company retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer herself, for re-appointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended her 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 24th 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

18. Meeting of the Board

During the financial year 2020-21, 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.

19. 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

https://www.insecticidesindia.com/investors-desk/

20. 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

https://www.insecticidesindia.com/investors-desk/

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.

21. 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. https://www.insecticidesindia.com/board-of-directors/ 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.

22. 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 & CCO
5. Shri SandeepAggarwal - Chief Financial Officer

During the financial year 2020-21, 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.

23. 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, 2021, 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.

24. 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 https://www.insecticidesindia.com/investors-desk/ . 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.

25. 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.

Along with external Internal Auditor, the Company has an in-house Internal Audit department with a team of qualified professionals. The internal audit department prepares an annual audit plan based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. Improvements in processes are identified during reviews and communicated to the management on an ongoing basis. The Audit Committee of the Board monitors the performance of the internal audit team on a periodic basis through review of audit plans, audit findings and issue resolution through follow-ups. Each year, there are at least four meetings in which the Audit Committee reviews internal audit findings.

26. Details of Significant & Material Orders passed by the regulator or Courts

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.

27. 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.

28. 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 2020-2021. During the year under review the company complies with all applicable Secretarial Standards. The Secretarial Report annexed to this report are self-explanatory and do not call for any further comments. The Secretarial Audit 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.

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 2021-22. The Company has received their consent for appointment.

A Secretarial Compliance Report for the financial year ended March 31, 2021 as required under Regulation 24A of SEBI (LODR) Regulations 2015 has been submitted to the stock exchanges within due time.

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 2021-22. 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 24th 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 2020-21, 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 2021-22.

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.

29. 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.

30. 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 https://www.insecticidesindia.com/investors-desk/

31. 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.

32. Annual Return

In accordance with Section 134 (3) (a) of the Act, the annual return for the financial year 2020-21 is available on Company's website at https://www.insecticidesindia.com/investors-desk/

33. 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 https://www.insecticidesindia.com/investors-desk/

34. 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.

35. 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 2012-13, aggregating to Rs. 56,799.00/- 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.

36. Insurance

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

37. Nature of Business

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

38. Listing of Securities

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

39. 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.

40. Appreciation

Your Company has been able to perform efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company'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 18, 2021

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

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

Annexure -1

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	31.03.2021
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

Place: Delhi
Dated: June 18, 2021

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

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

Annexure - 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline of the Company's Corporate Social Responsibility (CSR) policy:

   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 https://www.insecticidesindia.com/ investors-desk/

2. Composition of the CSR committee

Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Hari Chand Aggarwal	Chairman	4	4
Mr. Rajesh Aggarwal	Member	4	4
Mr. Virjesh Kumar Gupta	Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:
   a. Composition of CSR committee : https://www.insecticidesindia.com/board-of-directors/
   b. CSR Policy : https://www.insecticidesindia.com/investors-desk/
   c. CSR projects : https://www.insecticidesindia.com/investors-desk/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. The details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the Company as per Section 135(5) : **Rs. 13,123.53 Lakhs**
7. a. Two percent of average net profit of the company as per Section 135(5) : **Rs. 262.47 Lacs**
   b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Rs. 44.56 Lacs**
   c. Amount required to be set off for the financial year, if any : **Nil**
   d. Total CSR obligation for the financial year (7a+ 7b - 7c) : **Rs. 307.03 Lacs**8.
8 a. CSR amount spent or unspent for the financial year : **2020-2021**

Total Amount Spent for the Financial Year (Rs. in lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
307.03	Not Applicable				

b .Details of CSR amount spent against ongoing projects for the financial year: **2020-2021**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
Not Applicable												

C. Details of CSR amount spent against other than ongoing projects for the financial year : **2020-2021**

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (Rs. in Lacs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	KisaanJagruktaAbhiyan (Training programmes to Farmers)	(iv)	Yes	PAN India		56.72	No	IIL Foundation	CSR00002345
2.	Project Vidya (Child education in rural areas)	(ii)	Yes	PAN India		2.01	No	IIL Foundation	CSR00002345
3.	Navjyoti India Foundation (NGO)	(ii)	Yes	Delhi; Haryana	Various Districts	7.00	No	-	-
4.	Subhaksiksha Educational Society	(ii)	Yes	Delhi; Haryana; Rajasthan	Various Districts	6.00	No	-	-
5.	Anil Jindal Memorial Foundation	(i)	Yes	Delhi	Various Districts	15.00	No	-	-
6.	Maharaja Agrasen Technical Education Society	(i)	Yes	Delhi	Various Districts	30.00	No	-	-
7.	Maharaja Agrasen Hospital Charitable Trust	(i)	Yes	Delhi	Various Districts	25.00	No	-	-
8.	Brahma Kumaris educational Soceity	(iii)	Yes	PAN India		60.00	No	-	-
9.	Shree AgresenNorthex Welfare Society	(i)	Yes	Delhi	Various Districts	53.00	No	-	-
10.	COVID Support – PM CARES Fund	(viii)	Yes	PAN India		11.00	No	PM Cares Fund	-
11.	Social Welfare	(i)-(xii)	Yes	PAN India		21.54	No	IIL Foundation	CSR00002345
12.	Other Welfare	(i)-(xii)	Yes	PAN India		19.76	No	IIL Foundation	CSR00002345
	Total					**307.03**			

d. Amount spent in Administrative Overheads : **Nil**

e. Amount spent on Impact Assessment, if applicable : **NA**

f. Total amount spent for the Financial Year (8b+8c+8d+8e) : **Rs. 307.03 Lacs**

g. Excess amount for set off, if any : **NA**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. a. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in lakhs)	Amount Spent in the Reporting Financial Year (Rs. in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (Rs. in lakhs)
				Name of the Fund	Amount (Rs. in lakhs)	Date of transfer	
1.	2019-2020	-	44.56	-	-	-	-
TOTAL		**-**	**44.56**	**–**	**-**	**-**	**-**

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID.	Name of the Project.	Financial Year in Which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
Not Applicable								

10 . In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Assets Wise Details) : **2020-2021**

a. Date of creation or acquisition of the capital asset(s) : NA
b. Amount of CSR spent for creation or acquisition of capital asset : NA
c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : NA
d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Place: Delhi
Dated:June 18, 2021

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

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

Annexure -3

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

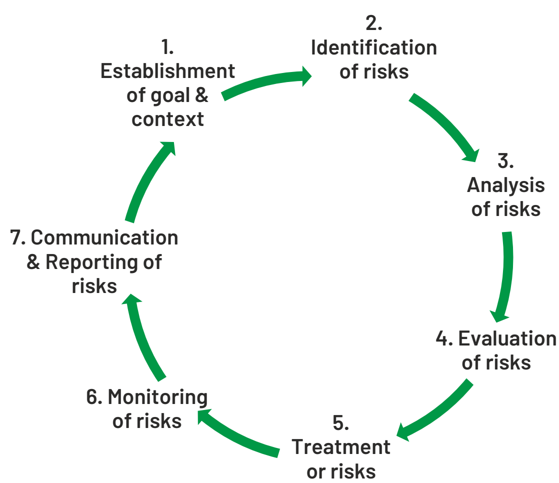
1. **Strategic Risks:** These risks concern risks relating to the flux and movement of money and capital in the Company. This will include cash flow management, investment evaluation and credit default. These risks emanate out of the choices, the Company makes in the markets, resources and delivery of services.
2. **Industry and Competition Risks:** Risks relating to the agro chemicals industry, including competition in the industry, technological landscape, risks arising out of volatility manufacturing industry, and those relating to brands of the Company.
3. **Risk of Theft, Pilferage and Non Delivery:** Risks relating to theft or pilferage when the goods manufactured are failed to be delivered to the buyers. The risk of Non- delivery concerns a situation where the whole cargo is not delivered to the consignee.
4. **Risk of Clash and Breakage:** The risk of clash and breakage is mainly referred to the risks associated with the manufacturing output caused due to quiver, bump, squeezing, lacquer desquamation, nick and so on, in transit. Fragmentation is mainly referred to fragile substances and includes loss including breaching and smash in transit due to careless loading and unloading and bumping of conveyance, and may also occur during warehousing.
5. **Operational Risks:** Most common, and often combatable in all situations, these risks related to business operations such as those relating to determination, identification and procurement of vendors, services delivery to vendors, security and surveillance, and business activity disruptions.
6. **Currency Risk:** The Company deals in various foreign currencies and is exposed to fluctuations in the currency markets from time to time.
7. **Resource Risk:** The Company may at times, become

susceptible to various risks associated with the procurement of talent, capital and infrastructure, as may be specific to the industry.

8. **Risks relating to regulatory and compliance framework:** Risks due to inadequate compliance to regulations, contractual obligations and intellectual property violations leading to litigations and related costs and effect on brand value and image.

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

VI. RISK MANAGEMENT PROCESS



1. ESTABLISHMENT OF GOALS & CONTEXT

The purpose of this stage is to understand the environment in which the Company operates, keeping in view its external environment, as well as, internal culture. For this, the Company shall establish 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.

Annexure - 4(a)

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 2020-21:

Table no. I

(in Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Hari Chand Aggarwal	Chairman & (WTD)	166:1
2	Mr. Rajesh Aggarwal	Managing Director	163:1
3	Mrs. Nikunj Aggarwal	Whole-time Director	18.84:1

Table no. II

(in Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Virjesh Kumar Gupta	Independent Director	1.03:1
2	Mr. Navin Shah	Independent Director	1.03:1
3	Mr. Vinod Kumar Mittal	Independent Director	0.61:1
4	Mr. Jayaraman Swaminathan	Independent Director	1.44:1
5	Mrs. Praveen Gupta	Additional Independent Director	1.03:1

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	Nil
5	Mr. Sandeep Kumar	Company Secretary	Nil

c. The percentage increase in the median remuneration of the employees for the financial year is Nil. The median remuneration of the employee of the company for the financial year were Rs. 2.42/- Lakhs (Per Annum)

d. Total number of employees of the Company for the Financial Year was 1,272. The Company has maintained peaceful and harmonious relations with all its employees.

e. Average percentile increase in the salaries of employees and managerial remuneration is Nil. Amid COVID-19 Pandemic the Company decides not to increase the salary during the period. 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	402.00	High School	73 Years / 45 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	395.70	Graduate	51 Years/ 28 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	45.63	B.A	48 Years/ 14 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	V.P. - Purchase	36.70	B-tech in Chemicals	53 Years/ 32 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	53 Years/ 32 Years	01/08/2011	Own Business	0.00	No Relationship with Directors
Mr. Arun Kohli	V.P. – Institutional Sales	33.80	Phd, Management	61 Years/ 41 Years	29/10/1960	M/s UPL Limited	0.00	No Relationship with Directors
Mr. Sanjay Singh	G.M, Market Development	29.70	MSC	53 Years/ 28 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	68 Years/ 38 Years	09/06/1953	Crystal Crop Production Private Limited	0.00	No Relationship with Directors
Mr. Srikant S Satwe	V.P. - International Business	26.71	MSC and PGDMS	58 Years / 33 Years	08/12/2014	M/s Hikal Ltd, Head Marketing	0.00	No Relationship with Directors
Mr. Vinod Kumar Garg	V.P.- Sales & Marketing (South India)	26.29	B.Com, LLB	63 Years/ 37 Years	01/06/2002	-	0.00	No Relationship with Directors
Dr. Mukesh Kumar Aggarwal	GM-R&D	25.89	P.hd and MSC	59 Years/ 28 Years	21/12/2001	M/s Hindustan Pulverising Mills, Manager QC & Production	0.00	No Relationship with Directors
Mr. P C Pabbi	Sr. V.P.- Dales & Marketing	24.43	Graduate	60 Years/ 35 Years	23/03/1961	Own Business	0.00	No Relationship with Directors

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

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

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

Place: Delhi
Dated:June 18, 2021

Annexure -4(b)

"NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY"

Legal Framework

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

Definitions

For the purpose of this Policy:'

- **'Act'** shall mean the Companies Act, 2013;'
- **'Board'** shall mean the Board of Directors of Insecticides (India) Limited;'
- **'Committee'** shall mean the Nomination and Remuneration Committee of the Company, constituted and re-constituted by the Board from time to time;'
- **'Company'** shall mean Insecticides (India) Limited;
- **'Directors'** shall mean the directors of the Company;'
- **'Independent Director'** shall mean a director referred to in Section 149(6) of the Companies Act, 2013;'
- **'Key Managerial Personnel (KMP)'** shall mean the following:

  (I) Executive Chairman and / or Managing Director (MD) and/or Manager

  (ii) Whole-time Director (WTD);

  (iii) Chief Financial Officer (CFO);

  (iv) Company Secretary (CS);

  (v) Such other officer as may be prescribed.'

  'Senior Management' shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

OBJECTIVE & PURPOSE

The objective and purpose of this Policy are as follows:

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

SCOPE OF THE POLICY

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

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

CONSTITUTION

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

S. No.	Name	Designation	Profile
1.	Mr. Jayaraman Swaminathan	Chairman	Mr. Jayaraman Swaminathan, aged 72, 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 74 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 79 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 contracts or arrangements or transactions 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 material contracts or arrangement or transactions 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 /Sale of goods and other obligations.	N/A	N/A	Not applicable, since the transaction is in the ordinary course of business and at arm's length	Nil
2.	HPM Chemicals & Fertilizers Limited			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. Sonia 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	Yearly	N/A		

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

Place: Delhi
Dated:June 18, 2021

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

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

Annexure -6

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.insecticidesindia.com
5.	E-mail id	:	investor@insecticidesindia.com
6.	Financial Year reported	:	01/04/2020 to 31/03/2021
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	:	Agrochemicals
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 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. 206,677,960/-
2.	Total Turnover (INR)	:	Rs. 14,279,536,076/-
3.	Total profit after taxes (INR)	:	Rs. 934,329,855/-
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2.81%
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, the Company publishes BR as part of annual report and also publishes Sustainability Report on its website annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   We understand the impact of manufacturing Insecticides, Pesticides and other chemicals on environment & society and takes responsibility to develop products having least carbon footprint and favoring betterment of environment and society. The farmer are the center of our business philosophy we, invests in cost efficient products for our beneficiaries. We strive of produce products which consumes minimal resources resulting to create positive environmental. Following are the three key products and service whose design address social and environmental concerns:

   a. Thimet

   b. Kayakalp

   c. Mycoraja

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 wastehas been made.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees. : 1,272
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 917
3. Please indicate the Number of permanent women employees : 28
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 in dicate 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 : 80%

   (b) Permanent Women Employees : 85%

   (c) Casual/Temporary/Contractual Employees : 90%

   (d) Employees with Disabilities : N.A.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalised.

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

   Yes

2. Out of the above, has the company identified the disadvantaged, 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 or so.

   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: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/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: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ 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 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.**

   Yes, 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: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

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: Businesses should support inclusive growth and equitable development

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

Yes, The Company has carried out various community development activities from several years. Company has established, nurtured and promoted various Non-Profit Organisations focussing 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, Subhaksiksha 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 in50 words, or so.**

   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 benefitted large number of beneficiaries.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

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(additional information)**

   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 behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No

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

   Periodically company conducts survey among customers through inhouse customer care department. Judicial Customer satisfaction is prime motive of IIL, the team of IIL always in connect with customers. At IIL any customer can reach to management without delay, higher management is in connect with customers directly. Customers of the IIL were satisfied with the products provided by the Company.

For and on behalf of the Board

Insecticides (India) Limited

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

Place: Delhi

Dated: June 18, 2021

Annexure -7

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 installed the Solar Plant at its Chopanki facility to reduce the traditional electricity consumption. The installed capacity of the Plant is 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.

C. 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. Company has launched revolutionary 7 products during the year named as Milstim Max, Hakama Super, Master Stroke, Dominant, Mahir, Tadaaki and Awal. Further, following are the enlisted R&D activities of the companies:

a. Till date the Company has filed 30 patents out of which 13 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 2022.

D. The expenditure incurred on Research and Development:

(₹ in Lacs)

Particulars	Amount
Capital	51.51
Recurring	267.30
OAT & IIL Laborataries Private Limited	335.21
Total	**654.02**

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	6479.28
Foreign exchange used	47484.59

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

(Rajesh Aggarwal)
Managing Director
DIN - 00576872

(Hari Chand Aggarwal)
Chairman
DIN - 00577015

Place: Delhi
Dated: June 18, 2021

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) Limited 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, 2021, the Company has Seven Directors. Out of Seven Directors, Four (i.e. 57.14%) are Independent Directors. The profiles of Directors can be found on https://www.insecticidesindia.com/board-of-directors/ 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, 2021 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. Mr.Vinod Kumar Mittal (DIN: 07421742) Independent director, has resigned w.e.f December 21, 2020 before the expiry of his tenure during the financial year 2020-21 due to the health concerns.

vii. Five Board Meetings were held during the year and the gap between two meetings were according to the Companies Act, 2013 and rules and Regulations made thereunder. The dates on which the said meetings were held: June 25, 2020; August 14, 2020; November 09, 2020, February 05, 2021 and March 30, 2021. The necessary quorum was present for all the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law which is noted and confirmed in the subsequent Board Meeting. Two resolutions by circulation were passed by the Board of Directors on 14^{th} January, 2021 in accordance with Section 175 of Companies Act, 2013 and rules made thereunder.

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, 2021, 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 & Whole - time Director	5	Yes	-	-	-	923400
Shri Rajesh Aggarwal (DIN:00576872)	Managing Director	5	Yes	3	-	-	1322120
Smt. Nikunj Aggarwal (DIN:06569091)	Whole - time Director	5	Yes	-	-	-	3125000
ShriNavin Shah (DIN:02701860)	Independent Director	5	No	2	-	-	-
Shri Virjesh Kumar Gupta (DIN:06382540)	Independent Director	5	Yes	-	-	-	-
Shri Vinod Kumar Mittal (DIN:07421742)*	Independent Director	3	Yes	-	-	-	-
Shri S. Jayaraman (DIN:02634470)	Independent Director	5	Yes	-	-	-	-
Smt. Praveen Gupta (DIN: 00180678)#	Independent Director	5	NA	3	1	4	-

 # Smt. Praveen Gupta has been appointed as an Independent Women Director of the Company in the 23rd AGM w.e.f February 15, 2020.

**Shri Vinod Kumar Mittal resigned from the post of Independent Director of the Company w.e.f. December 21, 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

#Shri Vinod Kumar Mittal resigned from the post of Independent Director of the Company w.e.f. December 21, 2020.

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 2020-21, 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 disclosed on the website of the Company at: https://www.insecticidesindia.com/investors-desk/

xii. During the year 2020-21, one meeting of the Independent Directors was held on June 25, 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: https://www.insecticidesindia.com/investors-desk/

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		✓	✓	-	✓	-	-	-	✓
(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	✓	✓	✓	✓	✓	✓	✓	✓

***#** Shri Vinod Kumar Mittal resigned from the post of Independent Director of the Company w.e.f. December 21, 2020.*

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

*(**Buyback committee:** The Board, in order to execute the Buyback, formed the buyback committee comprising Hari Chand Aggarwal, Chairman and Rajesh Aggarwal, Managing Director; Nikunj Aggarwal, Whole-time Director; Sandeep Kumar, Company Secretary & CCO as its members. The committee will execute buyback procedures as required under the SEBI (Buy-Back of Securities) Regulations, 2018.)*

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 June 25, 2020; August 14, 2020; November 09, 2020, February 05, 2021 and March 30, 2021. 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	No. of Meeting Held During the Year	Numbers of meetings attended
Shri Vinod Kumar Mittal#	Independent Director - Chairman	5	3
Smt. Praveen Gupta*	Independent Director - Chairman	5	2
Shri S. Jayaraman	Independent Director - Member	5	5
Shri Virjesh Kumar Gupta	Independent Director - Member	5	5

 # Shri Vinod Kumar Mittal resigned from the post of Independent Director of the Company w.e.f. December 21, 2020.

** Smt. Praveen Gupta became chairman of the committee w.e.f. January 16, 2021.*

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 June 25, 2020; August 14, 2020; November 09, 2020 and February 05, 2021. 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	No. of Meeting Held During the Year	Number of Meetings attended
Shri S. Jayaraman	Independent Director - Chairman	4	4
Shri Virjesh Kumar Gupta	Independent Director - Member	4	4
Shri Navin Shah	Independent Director - Member	4	4

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, 2021:

(₹in Lacs)

a. Non-Executive Directors:

Name	Sitting Fees (Rs.)
Shri Navin Shah	2.50
Shri Virjesh Kumar Gupta	2.50
Shri Vinod Kumar Mittal	1.50
Shri S. Jayaraman	3.50
Smt. Praveen Gupta	2.50

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	294.29	299.89	2.04
Perquisites	0.40	0.40	0.40
Companies Contribution to PF	6.42	5.71	2.44
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
https://www.insecticidesindia.com/investors-desk/

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 June 25, 2020; August 14, 2020; November 09, 2020 and February 05, 2021. 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:

Name of the Director	Designation	No. of Meeting Held During the Year	Number of Meetings attended
Shri Virjesh Kumar Gupta	Independent Director - Chairman	4	4
Shri Navin Shah	Independent Director - Member	4	4
Shri Vinod Kumar Mittal#	Independent Director - Member	4	3
Smt. Praveen Gupta*	Independent Director - Member	4	1

 # Shri Vinod Kumar Mittal resigned from the post of Independent Director of the Company w.e.f. December 21, 2020.

** Smt. Praveen Gupta became member of the committee w.e.f. January 16, 2021.*

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

Terms of Reference

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(5) 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	Twenty-Two	Twenty-Two	Nil
2	Non- receipt of Annual Report	Five	Five	Nil
3	Other	One	One	Nil
	Total	**Twenty Eight**	**Twenty Eight**	**Nil**

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

Compliance officer

Shri Sandeep Kumar,

Company Secretary and Chief Compliance Officer 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 June 25, 2020; August 14, 2020; November 09, 2020 and February 05, 2021. 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	No. of Meeting Held During the Year	Meetings attended
Hari Chand Aggarwal	Executive Director - Chairman	4	4
Rajesh Aggarwal	Executive Director - Member	4	4
Virjesh Kumar Gupta	Independent Director - Member	4	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 of reference of Finance Committee, during the year, 11 (Eleven) Finance Committee Meetings were held as on May 11, 2020, July 01, 2020; August 07, 2020; August 14, 2020; October 05, 2020; November 09, 2020; December 11, 2020; January 11, 2021; February 05, 2021; February 18, 2021 and March 25, 2021.

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	No. of Meeting Held During the Year	Number of Meetings attended
Shri Hari Chand Aggarwal	Executive Director - Chairman	11	11
Shri Rajesh Aggarwal	Executive Director - Member	11	11
Smt. Nikunj Aggarwal	Executive Director - Member	11	11
Shri Sandeep Aggarwal	Chief Financial Officer	11	10

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, 2021. The MD and the CFO also give 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
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
2019-2020	September 04, 2020	03:00 P.M	Audio Video Conferencing; Deemed Place - Registered Office of the Company

b) Special Resolution(s)

i. One Special Resolution was passed by the shareholders at the 23rd Annual General Meeting held on September 04, 2020 of the company. 1) Re-appointment of Smt. Praveen Gupta (DIN: 00180678) as Independent Women Director of the Company for a period of 5 years w.e.f. February 15, 2020.

ii. 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.

iii. 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.

c) No Extra-Ordinary General Meeting held during Financial Year 2020-2021

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 https://www.insecticidesindia.com/investors-desk/ 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, 2021. 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 2020-21, 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 https://www.insecticidesindia.com/investors-desk/

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.

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 behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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 https://www.insecticidesindia.com/investors-desk/

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, 2021, 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.

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 @

https://www.insecticidesindia.com/investors-desk/. 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 09, 2021

Time : 03:00 p.m.

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 Thursday, September 09, 2021.

ii. Financial Calendar

Year ending : March 31, 2021

AGM in : September 09, 2021

Dividend : The Interim dividend already paid.

Date of Payment of Dividend : 09/11/2020

iii. Financial Calendar (Tentative) for FY ended 2022

Result for Q1 : On and before August 14, 2021

Result for Q2 : On and before November 14, 2021

Result for Q3 : On and before February 14, 2022

Result for Q4 : On and before May 14, 2022

iv. Record Date : N.A.

v. Listing on Stock Exchanges : BSE

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 2020-21, 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 :

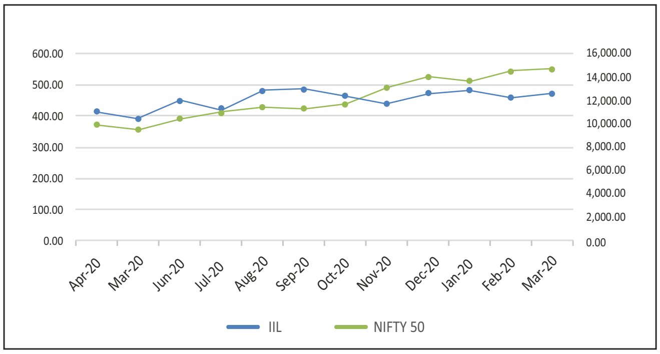
L65991DL1996PLC083909

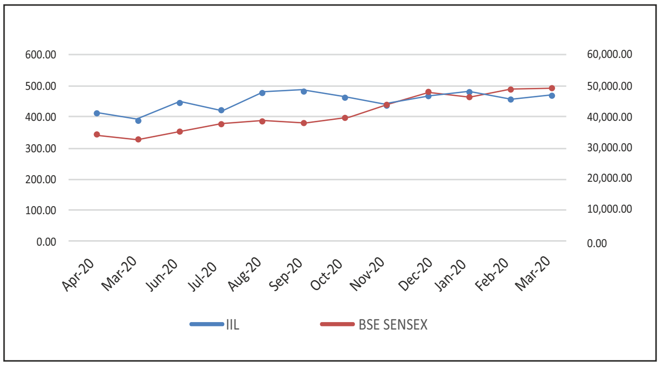
ix. Market Price data:

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 01st April, 2020 to 31st March, 2021 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-2020	428.10	285.25	19,131	437.00	284.05	3,00,646
May-2020	432.95	352.00	34,573	411.00	352.00	3,78,597
Jun-2020	535.00	370.50	2,61,824	532.00	371.05	36,96,447
Jul-2020	468.45	402.80	1,54,890	469.10	412.00	30,55,300
Aug-2020	557.00	417.30	2,83,843	557.90	418.00	35,31,303
Sep-2020	528.10	456.00	1,70,910	530.00	458.55	16,41,537
Oct-2020	494.00	443.00	83,206	494.30	452.00	3,92,664
Nov-2020	471.00	399.00	62,345	472.15	393.00	6,75,884
Dec-2020	480.10	434.20	61,794	481.00	435.00	5,61,914
Jan-2021	522.35	421.50	88,369	523.00	449.60	11,18,995
Feb-2021	536.80	440.00	87,492	537.85	450.15	12,11,348
Mar-2021	508.00	405.00	1,65,565	509.50	405.10	18,58,773

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
4E/2, 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, 2021

a) Distribution of equity shareholding as on March 31, 2021:

Number of Shares	Number of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1 - 500	16,008	95.14	10,33,450	5.00
501 - 1000	428	2.54	3,28,479	1.59
1001 - 2000	183	1.09	2,67,938	1.30
2001 - 3000	60	0.36	1,47,766	0.71
3001 - 4000	41	0.24	1,46,472	0.71
4001 - 5000	18	0.11	81,746	0.40
5001 - 10000	37	0.22	2,63,403	1.27
10001 - 20000	15	0.09	2,13,226	1.03
20001 - Above	35	0.21	1,81,85,316	87.99
Total	**16,825**	**100**	**2,06,67,796**	**100.00**

b) Categories of equity shareholders as on March 31, 2021

Category	No. of shares held	% of Shareholding
Promoter and Promoter Group (A)	**1,42,38,270**	**68.89**
Public Shareholding		
Mutual Funds	18,94,390	9.17
Alternate Investment Funds	1,46,933	0.71
Foreign Portfolio Investor (Corporate)	9,79,990	4.74
Individuals	23,21,016	11.23
NBFCs registered with RBI Any Other	3,750	0.02
- Body Corporate	7,07,750	3,42
- Trust	2,778	0.01
- NRI	88,617	0.43
- Resident HUF	1,40,260	0.69
- Clearing Member	1,43,016	0.23
- IEPF	1026	0.00
Total Public Shareholding (B)	**64,29,526**	**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, 2021, 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	1354828	6.56
Held in Dematerialized form in NSDL	19312864	93.44
Physical	104	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 – 442,443-444, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
2. E-439-440, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
3. SIDCO Industrial Growth Centre, Samba – 184 121 (J&K)
4. II D Centre, BattalBallian, Udhampur – 182 101 (J&K)
5. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch – 392 130 (Gujarat)
6. Plot No. Z/50, Dahej Industrial Area, SEZ Part-1, Dahej, Tal. Vagra, Dist, Bharuch, Gujarat, 392130, India

xviii. Address for Correspondence

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

To The 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

IX. 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 the 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 18, 2021

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, 2021 compliance with the Code of Conduct of the Company laid down for them.

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

Place: Delhi
Date: June 18, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

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

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 Delhi 110033, India (hereinafter referred to as 'the Company'), produced before me by 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 information 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 me 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, 2021 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.

Details of Directors :

S. No.	Name of Director	DIN	Date of appointment in the company	S. No.	Name of Director	DIN	Date of appointment in the company
1.	Mr. Hari Chand Aggarwal	00577015	12/10/2001	5.	Mr. Navin Shah	02701860	01/06/2014
2.	Mr. Rajesh Aggarwal	00576872	18/12/1996	6.	Mr. S. Jayaraman	02634470	10/02/2016
3.	Mrs. Nikunj Aggarwal	06569091	02/05/2013	7.	Mrs. Parveen Gupta	00180678	15/02/2020
4.	Mr. Virjesh Kumar Gupta	06382540	01/06/2014	8.	Mr. Vinod Kumar Mittal*	07421742	10/02/2016

*Mr. Vinod Kumar Mittal resigned from the position of Independent director due to health issue and personal reasons with immediate effect on 21/12/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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: A030099C000481541

Place: Delhi
Dated: June 18, 2021

MD / CFO Certificate

(Under Regulations 17(8) and 33(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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, 2021 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 the fraud, which we have become aware of during the period and reported to concern authorities and established internal controls over such financial transactions.

Sd/-	**Sd/-**
Rajesh Aggarwal	**Sandeep Aggarwal**
Managing Director	Chief Financial Officer

Place: Delhi
Dated: June 18, 2021

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 31,2021. 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, 2021.

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.

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.**
Chartered Accountants
Firm Reg. No. 013338N

Sd/-
(DEVESH PAREKH)
Partner
Membership No. 092160
UDIN: 21092160AAAARX4280

Place: Delhi
Date: 18/06/2021

Form No. MR-3
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)
For the Financial Year Ended 31st March 2021

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 2021 for the compliance of applicable statutory provisions and the adherence to good corporate practices by Insecticides (India) Limited (CIN L65991DL1996PLC083909) (hereinafter called as the **"Company"**) for the financial year ended 31st March 2021 ('the year'/ 'audit period'). 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 provided as scanned copied by e-mail and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2021, 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 2020-21;

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 2020-21;

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 2020-21;

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

c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - The Company passed a resolution in respect of Buy back of securities from open market through stock exchange method in the Board meeting dated 30th March 2021'

d) 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 2020-21, hence the mentioned regulation is not applicable to the Company;

e) 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, 2021, hence the mentioned regulations are not applicable to the Company;

f) 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, 2021, thus the said regulations are not applicable to Company;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

h) 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 do not applicable to the Company; and

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

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

a) The Insecticides Act, 1968 & the Insecticides Rules, 1971 read with the Insecticide (Amendment) Rules, 2020.

b) The Insecticides (Price, Stock, Display and Submission of Reports) Orders, 1986.

c) The Fertilizers Control Order Amendment 2013.

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 2020-21.

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.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be
- 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 for the purpose of examining adequacy of compliance with other applicable laws under both Central & state legislations, reliance has been placed on reports of statutory auditors and the Compliance certificates issued by the Management at each board meeting based on the report received by the Company from hospitals, nursing homes, day care centres etc. as part of the Company's Management and Reporting System.

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.

We further report that during the audit period, except for the following events, there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

The Board of Directors of the Company had approved the buyback of fully paid up equity shares of face value of INR 10/- (Rupees Ten Only) each in its meeting dated 30th March 2021 , at a maximum price not exceeding INR 575/- (Rupees Five Hundred and Seventy Five Only) per Equity Share payable in cash for an aggregate amount not exceeding 60.00 Crore (Rupees Sixty Crores Only) ("Maximum Buyback Size") from its shareholders/ beneficial owners (other than those who are promoters, members of the promoter group or persons in control), from the open market through stock exchange mechanism ie., using the electronic trading facilities of the stock exchanges, also that the Equity Shares of the Company are listed i.e., National Stock Exchange of India Limited ("NSE") and BSE Limited.

Mrs. Praveen Gupta (DIN:00180678) who was appointed as an additional Non- executive Independent woman director on 07th February, 2020 has been appointed as Non- Executive Independent Woman Director of the Company in the Annual General meeting held on September 04, 2020 for a period up to February 14,2021.

M/s Akash Gupta & Associates
Practising Company Secretary
Membership No. 30099
Certificate of Practice No. 11038
UDIN : A030099C000481539

Date: June 18, 2021
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.

<u>Annexure A</u>

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

Our report for the financial year ending 31.03.2021 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to the ongoing Covid-19 pandemic, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

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

Date: June 18, 2021
Place: Delhi

Independent Auditor's Report

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, 2021, 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, 2021, 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. 49 of the Standalone financial statement, highlighting the fraud committed by two employees of the Company in collision with Company's dealers & distributors and FIR filed by the management of the Company against them. Based on the internal assessment & enquiry, Company has recognized bad debts amounting to Rs. 970.15 lakhs in this respect and shown it as exceptional item during the year ended March 31, 2021. Further, Company is of the view that there is no significant impact of the committed fraud on the business conditions of the Company, its liquidity position and has concluded that no material adjustments are required in the financial statements.

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, 2021, the Company's Statement of Profit & Loss included Sales of Rs. 1,41,211.03 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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
Harish Gupta	**Devesh Parekh**
Partner	Partner
Membership number: 098336	Membership number: 092160
UDIN : 21098336AAAACL2792	UDIN: 21092160AAAANW8704
Place: New Delhi	Place: New Delhi
Date : June 18, 2021	Date : June 18, 2021

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 stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. According to information and explanations given to us, the material discrepancies, if any, noticed on such physical verification of inventory as compared to book records were properly dealt within the books of accounts.

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, 2021.

(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.	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	371.72	103.27	268.45
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	14.72	279.65
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. As per information and explanations given to us and on the basis of our examination of the records, except for reporting of fraud by the Company during the year as referred to Note no 49 to the standalone financial statement and as referred in the matter described in the 'Emphasis of matter' section in the report above we have neither come across any instance of material fraud by the company or on the Company by its employee, noticed or reported during the year, nor have been informed of any such case by the management.

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.

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 & Co.**	For **Devesh Parekh & Co.**
Chartered Accountants	Chartered Accountants
Firm's registration number: 000756N	Firm's registration number: 013338N
Harish Gupta	**Devesh Parekh**
Partner	Partner
Membership number: 098336	Membership number: 092160
UDIN : 21098336AAAACL2792	UDIN: 21092160AAAANW8704
Place: New Delhi	Place: New Delhi
Date : June 18, 2021	Date : June 18, 2021

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, 2021 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2021, 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.**	For **Devesh Parekh & Co.**
Chartered Accountants	Chartered Accountants
Firm's registration number: 000756N	Firm's registration number: 013338N
Harish Gupta	**Devesh Parekh**
Partner	Partner
Membership number: 098336	Membership number: 092160
UDIN : 21098336AAAACL2792	UDIN: 21092160AAAANW8704
Place: New Delhi	Place: New Delhi
Date : June 18, 2021	Date : June 18, 2021

Standalone Balance Sheet as at March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars			Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS					
1	**Non-current assets**				
	(a)	Property, plant and equipment	3	20,853.52	20,893.13
	(b)	Capital work-in-progress	3	5,187.22	3,288.41
	(c)	Right-of-use asset	4	2,584.56	2,514.73
	(d)	Intangible assets	5	441.83	501.91
	(e)	Intangible assets under development	5	677.54	607.49
	(f)	Investment in joint venture	6	795.00	795.00
	(g)	Financial assets			
		(i) Investments	7(a)	362.00	244.97
		(ii) Other financial assets	7(b)	280.45	160.82
	(h)	Non-current tax assets (net)	8	1,072.08	1,396.89
	(i)	Other non-current assets	9	1,534.31	1,056.11
	Total non-current assets			**33,788.51**	**31,459.46**
2	**Current assets**				
	(a)	Inventories	10	66,087.25	51,926.48
	(b)	Financial Assets			
		(i) Trade receivables	11(a)	25,458.71	31,978.73
		(ii) Cash and cash equivalents	11(b)	646.36	6,773.13
		(iii) Bank balances other than (ii) above	11(c)	7,682.94	642.97
		(iv) Loans	11(d)	5.08	272.82
		(v) Other financial assets	11(e)	435.03	604.24
	(c)	Other current assets	12	8,293.06	5,634.79
	Total current assets			**1,08,608.43**	**97,833.16**
	Total assets			**1,42,396.94**	**1,29,292.62**
EQUITY AND LIABILITIES					
	Equity				
	(a)	Equity Share capital	13	2,066.78	2,066.78
	(b)	Other Equity	14	79,772.98	70,956.60
	Total equity			**81,839.76**	**73,023.38**
	LIABILITIES				
1	**Non-current liabilities**				
	(a)	Financial Liabilities			
		(i) Borrowings	15(a)	239.63	190.53
		(ii) Lease liabilities	15(b)	253.35	176.31
	(b)	Provisions	16	276.79	103.88
	(c)	Deferred tax liabilities (net)	17	1,335.69	1,867.78
	Total non-current liabilities			**2,105.46**	**2,338.50**
2	**Current liabilities**				
	(a)	Financial Liabilities			
		(I) Borrowings	18(a)	9,160.85	18,348.22
		(ii) Lease liabilities	15(b)	163.42	192.72
		(iii) Trade Payables	18(b)		
		(A) total outstanding due of micro enterprises and small enterprises; and		2,567.17	1,178.57
		(B) total outstanding dues of creditors other than micro enterprises and small enterprises		33,636.32	23,477.21
		(iv) Other financial liabilities	18(c)	2,627.58	2,911.16
	(b)	Other current liabilities	19	10,021.46	7,564.75
	(c)	Provisions	20	274.92	258.11
	Total current liabilities			**58,451.72**	**53,930.74**
	Total equity and liabilities			**1,42,396.94**	**1,29,292.62**

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 18, 2021

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 Profit and Loss for year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	21	1,42,022.58	1,36,321.96
Other Income	22	772.78	256.55
Total Income		**1,42,795.36**	**1,36,578.51**
Expenses			
Cost of raw material and components consumed	23	1,04,517.82	79,083.88
Purchase of Traded Goods		5,795.48	4,600.90
Changes in inventories of finished goods, work-in-progress and traded goods	24	(3,526.01)	17,249.15
Employee benefits expense	25	7,650.66	7,474.23
Finance Costs	26	665.11	2,388.98
Depreciation and amortization expense	27	2,467.18	2,407.20
Other expenses	28	12,351.54	12,328.06
Total expenses		**1,29,921.78**	**1,25,532.40**
Profit before tax and exceptional items		**12,873.58**	**11,046.11**
Exceptional items	49	970.15	-
Profit before tax		**11,903.43**	**11,046.11**
Tax Expenses	30		
- Current Tax		3,051.10	2,538.94
- Deferred Tax		(490.97)	(96.89)
Total Tax Expenses		**2,560.13**	**2,442.05**
Profit for the period		**9,343.30**	**8,604.06**
Other comprehensive income	31		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		117.03	(143.03)
Remeasurement of net defined benefit plans		(271.71)	(170.23)
Income tax relating to these items		41.12	92.80
Other comprehensive income for the period (net of tax)		**(113.56)**	**(220.46)**
Total comprehensive income for the period (net of tax)		**9,229.74**	**8,383.60**
Earnings per equity share	42		
Basic earnings per share		45.21	41.63
Diluted earnings per share		45.21	41.63

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
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DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Place : Delhi
Date : June 18, 2021

Statement of changes in Equity for year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

(A) Equity share capital (Refer note 13)

Particulars	Amount
As at April 1, 2019	**2,066.78**
Changes in equity share capital	-
As at March 31, 2020	**2,066.78**
Changes in equity share capital	-
As at March 31, 2021	**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, 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**
Profit for the year			9,343.30		9,343.30
Other comprehensive income (Net of taxes)			(203.33)	89.77	(113.56)
Total comprehensive income for the period			**9,139.97**	**89.77**	**9,229.74**
Final dividend paid during the year			-		-
Tax on Final dividend paid			-		-
Interim dividend paid during the year			(413.36)		(413.36)
Tax on Interim dividend paid			-		-
Balance at March 31, 2021	**10,410.18**	**3,201.52**	**66,124.12**	**37.16**	**79,772.98**

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
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DIN 06569091

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Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Place : Delhi
Date : June 18, 2021

Statement of Cash Flow for year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Cash Flow From Operating Activities		
Net profit before tax	**11,903.43**	**11,046.11**
Adjustment on account of		
- Depreciation	2,467.18	2,407.20
- (Profit)/ Loss on Sale of Assets	37.94	37.22
- Miscellaneous Expenses	-	6.34
- Miscellaneous Income	(0.81)	(5.59)
- Interest Income	(251.18)	(142.30)
- Dividend Income	(9.62)	(10.16)
- Interest Expenses	665.11	2,388.98
- Bad debts written off	47.06	6.34
- Provision for impairment of trade receivables	348.99	225.64
- Derivative (gain) / loss	(21.86)	(64.40)
- Unrealised exchange differences	(294.65)	(8.40)
Operating Profit Before Working Capital Changes	**14,891.59**	**15,886.98**
Adjustments for		
- (Increase)/Decrease in security deposits	(117.81)	(1.85)
- (Increase)/Decrease in inventories	(14,160.77)	18,584.16
- (Increase)/Decrease in trade receivables	6,203.48	(7,785.82)
- (Increase)/Decrease in loans	2.74	8.79
- (Increase)/Decrease in other financial assets	94.37	(92.61)
- (Increase)/Decrease in other current assets	(2,666.99)	2,923.41
- (Increase)/Decrease in provisions	(81.99)	(17.32)
- Increase/(Decrease) in trade payables	11,809.90	(3,330.82)
- Increase/(Decrease) in other financial liabilities	(169.35)	364.55
- Increase/(Decrease) in other current liabilities	2,456.71	856.11
Cash generated from operations	**18,261.88**	**27,395.58**
Less: Income tax paid	(2,726.29)	(3,210.32)
Net Cash Flow from Operating Activities (A)	**15,535.59**	**24,185.26**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets, capital-work-in-progress and intangible assets under development	(4,829.79)	(2,902.23)
- Proceeds from sale of property plant and equipment	66.96	59.09
- Interest received	269.17	104.82
- Proceeds from / (investment in) bank deposits	(7,041.11)	(614.75)
- Inter Corporate Loans (Given) / Received back	265.00	935.00
- Dividends received	10.08	9.27
Net Cash Flow used in Investing Activities (B)	**(11,259.69)**	**(2,408.80)**
(C) Cash Flow From Financing Activities		
- Repayment of long term borrowings	(226.21)	(928.86)
- Proceeds from long term borrowings	298.49	319.91
- Proceeds/(Repayment) from/of short term borrowings	(9,187.37)	(11,160.62)
- Repayment of lease liabilities	(198.69)	(161.18)
- Interest paid	(675.53)	(2,471.77)
- Dividend paid (including dividend distribution tax)	(413.36)	(1,494.98)
Net Cash Flow (used in) / from Financing Activities (C)	**(10,402.67)**	**(15,897.50)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(6,126.77)**	**5,878.96**
Cash and Cash Equivalents at the beginning of the year	6,773.13	894.17
Cash and Cash Equivalents at the end of the year	**646.36**	**6,773.13**

Statement of Cash Flow for year ended March 31, 2021

(₹ 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, 2021	As at March 31, 2020
Balances with banks		
On current accounts	640.03	4,243.04
Cash on hand	6.33	9.03
Deposits with original maturity upto three months	-	2,521.06
Total cash and cash equivalents	**646.36**	**6,773.13**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2020	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2021
Long term borrowings (including current maturities)	394.25	72.28	-	-	**466.53**
Lease liabilities (including current maturities)	369.03	(198.69)	-	246.43	**416.77**
Short term borrowings	18,348.22	(9,187.37)	-	-	**9,160.85**
	19,111.50	**(9,313.78)**	**-**	**246.43**	**10,044.15**
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**

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
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DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Place : Delhi
Date : June 18, 2021

Notes to financial statements for the year ended March 31, 2021

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 18, 2021.

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 Company 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

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. Refer to the accounting policies in section (j) Impairment of non-financial assets.

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
0.10%	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.

(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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

3 Property, plant and equipment and capital work-in-progress

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2020	Addition	Sale / Adjustment	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,321.29	250.89	9.42	8,562.76	943.06	291.70	1.53	1,233.23	7,329.53	7,378.23
Plant and machinery	15,856.48	1,519.54	18.69	17,357.33	4,613.95	1,416.72	13.55	6,017.12	11,340.21	11,242.53
Roads	1,330.39	-	-	1,330.39	614.87	153.72	-	768.59	561.80	715.52
Office equipments	125.56	15.98	1.91	139.63	72.12	19.15	1.62	89.65	49.98	53.44
Furniture & fixtures	230.87	20.77	0.03	251.61	84.73	24.28	-	109.01	142.60	146.14
Electrical fittings	355.60	60.28	-	415.88	178.03	49.60	-	227.63	188.25	177.57
Computers	215.49	19.89	0.13	235.25	117.65	31.17	0.13	148.69	86.56	97.84
Vehicles	1,375.79	331.67	213.52	1,493.94	382.44	167.38	121.96	427.86	1,066.08	993.35
Total	**27,899.98**	**2,219.02**	**243.70**	**29,875.30**	**7,006.85**	**2,153.72**	**138.79**	**9,021.78**	**20,853.52**	**20,893.13**

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: Sale / Adjustment / 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

Capital Work In Progress

Cost	Amount
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**
As at April 1, 2020	**3,288.41**
Additions	3,477.86
Capital Goods in Transit	83.02
Capitalised during the year	(1,662.07)
As at March 31, 2021	**5,187.22**

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 and Chopanki Technical 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 financial statements for the year ended March 31, 2021

(₹ 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 as at April 01, 2020	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	2,207.97	33.92	-	2,241.89	14.67	15.50	-	30.17	2,211.72	2,193.30
Office Premises	114.01	11.47	1.00	124.48	47.43	48.75	0.51	95.67	28.81	66.58
Warehouses	396.19	245.47	12.29	629.37	141.34	147.08	3.08	285.34	344.03	254.85
Total	**2,718.17**	**290.86**	**13.29**	**2,995.74**	**203.44**	**211.33**	**3.59**	**411.18**	**2,584.56**	**2,514.73**
Description of Assets	**GROSS CARRYING AMOUNT**				**ACCUMULATED AMORTISATION**				**NET CARRYING AMOUNT**	
	Balance as at April 01, 2019	**Additions / Modifications during the year**	**Disposal / Derecognition during the year**	**Balance as at March 31, 2020**	**Balance as at April 01, 2019**	**Depreciation expense**	**Disposal / Derecognized during the year**	**Balance as at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2019**
Land	2,102.40	105.57	-	2,207.97	-	14.67	-	14.67	2,193.30	2,102.40
Office Premises	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, 2020	Addition	Sale / Adjustment	Balance as at March 31, 2021	Balance as at April 01, 2020	Amortisation for the year		Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
						Amortisation	Disposal / adjustment			
Software	186.19	1.75	-	187.94	98.08	30.99	-	129.07	58.87	88.11
Website	1.65	1.00	-	2.65	1.25	0.50	-	1.75	0.90	0.40
Patents, trademarks and designs	568.96	39.30	-	608.26	155.56	70.64	-	226.20	382.06	413.40
Total	**756.80**	**42.05**	**-**	**798.85**	**254.89**	**102.13**	**-**	**357.02**	**441.83**	**501.91**

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**

Intangible assets under development*	
Cost	**Amount**
As at April 1, 2019	**628.71**
Additions	253.36
Capitalised during the year	(274.58)
As at March 31, 2020	**607.49**
As at April 1, 2020	**607.49**
Additions	111.10
Capitalised during the year	(41.05)
As at March 31, 2021	**677.54**

* Intangible assets under development mainly comprises software under development and patents for which registration is awaited.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

6 Investment in joint venture

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in unquoted equity shares - Fully paid-up - At cost		
795,000 {(March 31, 2020: 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, 2021	As at March 31, 2020
Investments stated at Fair Value through OCI		
Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
36,400 {(March 31, 2020: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company)}	362.00	244.97
Total	**362.00**	**244.97**
Aggregate book value of quoted investments	362.00	244.97
Aggregate market value of quoted investments	362.00	244.97

7(b) Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposit accounts having maturity of more than twelve months	33.77	31.95
Security deposits	246.68	128.87
Total	**280.45**	**160.82**

8 Non-current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax	1,072.08	1,396.89
[Net of provision for tax INR 3,153.29 (March 31, 2020: INR 2,258.65)]		
Total	**1,072.08**	**1,396.89**

9 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Capital advances	1,151.69	682.22
Advances other than Capital Advances		
Balances with government authorities	367.90	346.42
Prepaid expenses	14.72	27.47
Total	**1,534.31**	**1,056.11**

10 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
At the lower of cost and net realisable value		
Raw Material {INR 463.03 (March 31, 2020: INR 481.14) in transit}	27,360.29	17,033.79
Packing material {INR 20.39 (March 31, 2020: INR 20.54) in transit}	1,845.54	1,521.91
Work-in-progress	7,803.01	7,110.33
Stock-in-trade (Traded Goods) {INR 20.81 (March 31, 2020: NIL) in transit}	1,132.16	890.91
Finished goods (Manufactured) {(INR 262.96 (March 31, 2020: INR 1,608.90) in transit}	27,809.01	25,216.93
Stores, Scrap material, Spares Parts & Fuel {INR 3.44 (March 31, 2020: INR 0.73) in transit}	137.24	152.61
Total	**66,087.25**	**51,926.48**

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

11 Financial assets - current

11(a) Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
- to related parties (refer note 38)	207.41	71.72
- to others	26,352.67	32,659.39
Less: Impairment of Trade Receivables	(1,101.37)	(752.38)
Total (refer note 46)	**25,458.71**	**31,978.73**
Breakup of Trade Receivables		
Unsecured, considered good	25,458.71	31,978.73
Credit Impaired	1,101.37	752.38
Subtotal	**26,560.08**	**32,731.11**
Impairment of Trade Receivables (refer note 35)	(1,101.37)	(752.38)
Total	**25,458.71**	**31,978.73**
- 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.	6.92	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, 2021	As at March 31, 2020
Balances with banks		
On current accounts	640.03	4,243.04
Cash on hand	6.33	9.03
Deposit accounts with original maturity upto three months	-	2,521.06
Total	**646.36**	**6,773.13**

11(c) Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
In earmarked accounts		
Unpaid dividend	5.25	4.57
Balances with banks		
On current accounts *	1,500.00	-
On deposit accounts with original maturity upto three months *	6,009.65	-
On deposit accounts with remaining maturity between three and twelve months **	168.04	638.40
Total	**7,682.94**	**642.97**

* Other bank balance as at March 31, 2021 includes restricted bank balances of INR 1,500 lacs in escrow account and INR 6,000 lacs in deposits respectively. The restrictions are primarily on account of bank balances held as and by way of security for performance of buy back obligations.

** The fixed deposits made with banks had been given as margin money against Bank Guarantee/ Letter of credit.

11(d) Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Loans to employees	5.08	7.82
Inter Corporate Loans (refer note 48)	-	265.00
Total	**5.08**	**272.82**
Loans due from directors or other officers of the Company at the end of the period.	Nil	Nil

11(e) Other financial assets

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Measured at fair value through profit and loss		
Derivative assets	9.42	18.76
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	8.15	8.61
Insurance claim recoverable	81.96	80.95
Interst accrued on inter corporate loans	-	65.05
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	114.55	126.02
Interest subsidy recoverable	201.35	285.25
Total	**435.03**	**604.24**

12 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 38)	-	630.78
-to others	1,221.46	756.13
Advances to employees	91.98	20.31
Balances with government authorities	6,607.65	4,093.62
Prepaid expenses	371.97	133.95
Total	**8,293.06**	**5,634.79**
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

13 Equity share capital

Authorised share capital	**Number of shares**	**INR**
As at April 1, 2020	2,50,00,000	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2021	**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, 2020	2,06,67,796	2,066.78
Increase/(decrease) during the year	-	-
At March 31, 2021	**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 2/- per share as Interim Dividend and paid the same on November 09, 2020. No final dividend has been recommended on equity shares for the financial year ended 2020-21.

(b) The details of Shareholders holding more than 5% shares :	As at March 31, 2021		As at March 31, 2020	
Name of the Shareholder	**Number of Shares**	**% Held**	**Number of Shares**	**% Held**
Nikunj Aggarwal	31,25,000	15.12	11,25,000	5.44
Sanskar Aggarwal	29,01,800	14.04	9,01,800	4.36
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
Rajesh Aggarwal	13,22,120	6.4	53,21,916	25.75

(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.

(d) Proposed Buyback :

Board of Directors of the Company at its meeting held on March 30, 2021, have approved Buyback of fully paid-up equity shares of face value of INR 10/- each of the Company at a price not exceeding INR 575/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding INR 6,000 Lacs ("Maximum Buyback Size") from the open market through Stock Exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

14 Other equity

a) Reserves and surplus

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	66,124.12	57,397.51
Securities premium	10,410.18	10,410.18
General reserve	3,201.52	3,201.52
Total reserves and surplus	**79,735.82**	**71,009.21**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Retained earnings		
Opening balance	57,397.51	50,399.16
Profit for the year	9,343.30	8,604.06
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of net defined benefit plans, net of tax	(203.33)	(110.74)
Final dividend paid during the year	-	(413.35)
Tax on Final dividend paid	-	(84.99)
Interim dividend paid during the year	(413.36)	(826.70)
Tax on Interim dividend paid	-	(169.93)
Closing balance	**66,124.12**	**57,397.51**
(ii) Securities premium		
Opening balance	10,410.18	10,410.18
Additions during the year	-	-
Closing balance	**10,410.18**	**10,410.18**
(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	**79,735.82**	**71,009.21**
b) Other reserves		

Particulars	As at March 31, 2021	As at March 31, 2020
FVTOCI reserve - equity instruments	37.16	(52.61)
Total other reserves	**37.16**	**(52.61)**

Particulars	As at March 31, 2021	As at March 31, 2020
i) FVTOCI reserve - equity instruments		
Opening balance	(52.61)	57.11
Change in fair value of FVTOCI equity instruments	89.77	(109.72)
Closing balance	**37.16**	**(52.61)**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 31.		
Total other equity	**79,772.98**	**70,956.60**

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, 2021 & March 31, 2020.

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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

15 Financial liabilities - Non Current

15(a) Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Indian Rupee loan from banks		
Vehicle loans	466.53	394.25
Total	**466.53**	**394.25**
Less: Current maturities of long-term debt (included in note 18(c))	226.90	203.72
Non-current borrowings (as per balance sheet)	**239.63**	**190.53**
Nature of Security and terms of repayment for secured borrowing :		

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 7.85% to 9.50% 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.

15(b) Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current	163.42	192.72
Non-current	253.35	176.31
Total	**416.77**	**369.03**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at April 1	**369.03**	**680.15**
Accretion of interest	42.54	54.31
Addition in lease liability	256.94	38.92
Repayment of lease liability	(241.23)	(215.49)
Derecognition of lease liability	(10.51)	(188.86)
Balance at March 31	**416.77**	**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 2021-2025.

16 Long term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit provisions		
Provision for gratuity	133.24	4.48
Provision for leave encashment	143.55	99.40
Total	**276.79**	**103.88**

Refer note 20 for disclosure of employee benefits.

17 Deferred tax liabilities (Net)

Particulars	As at April 1, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2021
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(2,298.70)	(542.41)	-	-	(1,756.29)
Derivatives	(6.55)	(4.18)	-	-	(2.37)
Right-of-use asset	(112.32)	(18.48)	-	-	(93.84)
Investments	-	-	11.29	-	(11.29)
Total deferred tax liabilities	**(2,417.57)**	**(565.07)**	**11.29**	**-**	**(1,863.79)**
Deferred tax assets					
Investments	15.97	-	15.97	-	-
Impairment of Trade Receivables	262.91	(14.28)	-	-	277.19
Derivatives	25.37	14.95	-	-	10.42

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	As at April 1, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2021
Lease liabilities	119.05	17.41	-	-	101.64
Employee benefit provisions	126.49	56.02	(68.38)	-	138.85
Total deferred tax assets	**549.79**	**74.10**	**(52.41)**	**-**	**528.10**
Net deferred tax liabilities	**(1,867.78)**	**(490.97)**	**(41.12)**	**-**	**(1,335.69)**

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)**

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, 2021	As at March 31, 2020
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr 21- May 21	4.75% - 4.90%	6,641.38	15,272.06
Cash credit from banks	On demand	10.95%	2,483.47	2,852.88
Buyers Credit Loans (USD)	-	-	-	108.98
Cheques sent for collection	Apr-21	-	36.00	114.30
Total			**9,160.85**	**18,348.22**

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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

18(b) Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
- to related parties (refer note 38)	360.10	172.36
- to others	35,843.39	24,483.42
Total	**36,203.49**	**24,655.78**
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
(A) total outstanding due of micro, small & medium enterprises; and	2,567.17	1,178.57
(B) total outstanding dues of creditors other than micro enterprises, small & medium enterprises	33,636.32	23,477.21
Total	**36,203.49**	**24,655.78**
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, 2021	As at March 31, 2020
Financial liabilities at amortised cost		
Current maturities of long-term borrowings (refer note 15(a))	226.90	203.72
Security deposits received from customers	714.67	725.41
Creditors for capital expenditure	370.36	466.85
Interest accrued on borrowings	9.25	19.67
Employee payables		
- to related parties (refer note 38)	17.75	118.44
- to others	1,242.02	1,299.92
Unpaid dividend account	5.25	4.57
Financial liabilities at fair value through profit and loss		
Derivative liabilities	41.38	72.58
Total	**2,627.58**	**2,911.16**

19 Other current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers (refer note 46)	9,169.88	7,174.31
Statutory dues	851.58	390.44
Total	**10,021.46**	**7,564.75**

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

20 Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit provisions		
Provision for gratuity	255.73	253.37
Provision for leave encashment	19.19	4.74
Total	**274.92**	**258.11**
(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, 2021	Year ended March 31, 2020
Employer's Contribution to Employee's Provident Fund (including admin charges)	367.92	364.60
Employer's Contribution to Employee's State Insurance	20.04	28.03
Total	**387.96**	**392.63**
(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, 2021	As at March 31, 2020
Rate of Discounting	6.57%	6.82%
Rate of Salary Increase	8.00%	5.00%
Rate of Employee Turnover	For Service 2 years and below- 27%, For Service 3 years to 4 years - 15%, For Service 5 years and above- 8%	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, 2021	As at March 31, 2020
Opening defined benefit obligation	871.02	627.90
Interest cost	59.40	48.91
Current service cost	99.68	72.49
Past service cost	-	-
Benefits paid	(32.08)	(22.71)
Actuarial (gain) / loss		
Due to change in Demographic assumptions	42.60	-
Due to change in financial assumptions	220.93	74.27
Due to change in experience	(12.60)	70.16
Closing defined benefit obligation	**1,248.95**	**871.02**

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Changes in the Fair Value of Plan Assets are as follows:	As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Assets at the Beginning of the Period	613.17	496.97
Interest Income	41.82	38.71
Contributions by the Employer	257.85	126.00
Benefits paid	(32.08)	(22.71)
Return on Plan Assets, Excluding Interest Income	(20.78)	(25.80)
Fair Value of Plan Assets at the End of the Period	**859.98**	**613.17**

Reconciliation of fair value of plan assets and defined benefit obligation:	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	(1,248.95)	(871.02)
Fair value of plan assets	859.98	613.17
Plan asset / (liability)	**(388.97)**	**(257.85)**

Expenses recognised in profit and loss	Year ended March 31, 2021	Year ended March 31, 2020
Net interest cost	17.58	10.20
Current service cost	99.68	72.49
Past service cost	-	-
Net expense *	**117.26**	**82.69**
* Includes INR 12.43 (March 31, 2020 - INR 8.50) transfer to Research & Development Expenditure		

Expenses recognised in other comprehensive income	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain) / loss on defined benefit obligation	250.93	144.43
Return on Plan Assets, excluding Interest Income	20.78	25.80
Total expense recognised in statement of other comprehensive income	**271.71**	**170.23**

Major categories of plan assets of the fair value of the total plan assets	As at March 31, 2021		As at March 31, 2020	
	Total	**In %**	**Total**	**In %**
Insurance fund	859.98	100%	613.17	100%
Total	**859.98**	**100%**	**613.17**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:	Year ended March 31, 2021	Year ended March 31, 2020
Defined benefit obligation (base)	1,248.95	871.02
Change in discount rate		
Increase by 1%	(77.70)	(76.38)
Decrease by 1%	88.82	90.13
Change in rate of salary increase		
Increase by 1%	83.92	89.95
Decrease by 1%	(76.15)	(77.44)
Change in rate of employee turnover		
Increase by 1%	(9.48)	12.23
Decrease by 1%	10.45	(14.20)

The following payments are expected contributions to the defined benefit plan in future years:	As at March 31, 2021	As at March 31, 2020
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	201.64	114.04
Between 1 and 5 years	409.72	187.06
Between 5 and 10 years	512.49	316.53
More than 10 years	1,050.49	1,381.62

(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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

21 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
Finished goods	1,34,251.07	1,27,142.77
Traded goods	6,959.97	7,873.30
Total	**1,41,211.04**	**1,35,016.07**
Other operating revenue		
Revenue from Job Work	36.46	60.37
Sale of scrap & others	88.49	82.83
Government Grants *	686.59	1,162.69
Total revenue from operations	**1,42,022.58**	**1,36,321.96**

* 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.

Revenues by Geography

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Within India	1,34,731.76	1,28,601.55
Outside India	6,479.28	6,414.52
Total	**1,41,211.04**	**1,35,016.07**
Timing of revenue recognition		

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
At a point in time		
Sale of finished goods	1,34,251.07	1,27,142.77
Sale of traded goods	6,959.97	7,873.30
Total	**1,41,211.04**	**1,35,016.07**

b) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contract	1,57,844.00	1,49,831.89
Adjustments for variable consideration:		
Discounts and rebates	(16,632.96)	(14,815.82)
Revenue from contracts with customers	**1,41,211.04**	**1,35,016.07**
c) Aggregate amount of the Transaction Price allocated to Performance Obligations that are unsatisfied at end of the year:		

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Advance from Customers* (refer note 46)	9,169.88	7,174.31
Revenue recognised from amounts included in advance from customers at beginning of the year	7,174.31	6,228.54

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, 2021, 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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

22 Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
Fixed deposits with banks	246.18	26.54
Other assets	5.00	115.76
Dividend income from equity investments designated at fair value through other comprehensive income*	9.62	10.16
Other non-operating income		
Miscellaneous income	54.51	39.69
Exchange difference (net)	435.61	-
Net gain on fair value changes		
Derivatives at FVTPL	21.86	64.40
Total other income	**772.78**	**256.55**

* 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, 2021	Year ended March 31, 2020
Raw Material		
Inventory at the beginning of the year	17,033.79	18,501.32
Add: Purchases	1,05,480.29	70,369.53
	1,22,514.08	88,870.85
Less: inventory at the end of the year	27,360.29	17,033.79
Cost of raw material consumed	**95,153.79**	**71,837.06**
Packing Material		
Inventory at the beginning of the year	1,521.91	1,376.58
Add: Purchases	9,687.66	7,392.15
	11,209.57	8,768.73
Less: inventory at the end of the year	1,845.54	1,521.91
Cost of Packing material consumed	**9,364.03**	**7,246.82**
Total Cost of raw material and components consumed	**1,04,517.82**	**79,083.88**

24 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Finished goods	27,809.01	25,216.93
Semi-finished goods	7,803.01	7,110.33
Traded goods	1,132.16	890.91
	36,744.18	**33,218.17**
Inventories at the beginning 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**
Total (Increase)/Decrease in inventories	**(3,526.01)**	**17,249.15**

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Details of inventory	Year ended March 31, 2021	Year ended March 31, 2020
Traded goods		
Powder	693.87	168.58
Liquid	215.09	476.78
Granules	223.20	245.55
Total	**1,132.16**	**890.91**
Finished goods		
Liquid	15,240.89	18,711.02
Powder	4,450.59	2,289.46
Granules	3,499.63	1,467.86
Technicals	4,617.90	2,748.59
Total	**27,809.01**	**25,216.93**

25 Employee benefit expenses

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus		6,792.39	6,831.28
Contribution to provident and other funds	20	388.03	392.71
Gratuity expense	20	104.83	74.19
Staff welfare expenses		365.41	176.05
Total employee benefit expenses		**7,650.66**	**7,474.23**

26 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	30.65	82.89
Interest on CC Limits, buyer's credit and demand loans	286.58	1,891.68
Interest on Lease Liabilities	42.54	54.31
Interest (Others)	32.26	27.30
Other borrowings costs		
Bank charges	273.08	332.80
Total finance costs	**665.11**	**2,388.98**

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	3	2,153.72	2,100.45
Depreciation of right-of-use assets	4	211.33	229.03
Amortization of intangible assets	5	102.13	77.72
Total depreciation and amortization expense		**2,467.18**	**2,407.20**

(₹ in 'Lacs', unless mentioned otherwise)

28 Other expenses

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares		865.98	764.85
Power and fuel Expenses		2,175.65	2,278.45
Transport charges		3,290.50	2,618.08
Repairs and Maintenance			
Buildings		5.52	3.96
Plant & Machinery		160.58	59.13
Others		282.85	247.94
Pollution Control Expenses		145.57	70.15
Advertising and sales promotion		525.22	577.01
Royalty		68.09	175.59
Commission		652.77	683.24
Travelling and conveyance		1,093.79	1,510.05
Rent	41	34.22	73.98
Insurance		276.12	118.84
Communication expenses		31.70	33.26
Printing and Stationery		21.44	25.88
Legal and Professional Fees		429.58	429.24
Director Sitting Fees	38	12.50	11.00
Payment to Auditors	28(a)	39.44	40.51
Electricity & Water Charges		67.10	55.90
Rates and taxes		19.38	60.33
Security Charges		111.21	98.71
Research & Development Expenses	29	618.67	892.74
Loss on Sale of Fixed Assets (net)		37.94	37.22
Corporate Social Responsibility Expenses	28(b)	309.13	190.10
Provision for impairment of trade receivables	35	348.99	225.64
Exchange difference (net)		-	493.49
Bad debts written off		47.06	6.34
Miscellaneous Expenses		680.54	546.43
Total other expenses		**12,351.54**	**12,328.06**

28(a) Details of payment to auditors (excluding taxes)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Statutory Audit Fees	39.00	39.00
In other capacity		
Reimbursement of expenses	0.44	1.51
Total	**39.44**	**40.51**

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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company	262.47	235.38
Unspent of Previous Year spent during the Year	45.28	-
Total amount spent for the financial year	(309.13)	(190.10)
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	309.13	190.10
- yet to be paid in cash	-	-
Total	**309.13**	**190.10**

The entire amount is spent through the IIL foundation which is a related party (refer note 38), except INR 2 lacs, which was directly spent by Company for COVID-19 relief.

29 Research & Development Expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Chopanki :		
(i) Revenue Expenditure :		
(a) Employee cost	134.70	143.88
(b) Cost of material & testing charges	22.86	15.12
(c) Other R&D expenditure	10.76	6.79
(d) Consultancy charges to OAT & IIL	335.21	326.56
(ii) Capital Expenditure	41.02	24.50
Chopanki Total	**544.55**	**516.85**
Shamli :		
(i) Revenue Expenditure :		
(a) Employee cost	95.22	-
(b) Cost of material & testing charges	1.50	-
(c) Other R&D expenditure	2.26	-
(d) Consultancy charges to OAT & IIL	-	-
(ii) Capital Expenditure	10.49	-
Shamli Total	**109.47**	**-**
Total	**654.02**	**516.85**

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, 2021	Year ended March 31, 2020
(a) Income tax expense		
Current tax on profits for the year	3,153.29	2,732.19
Adjustment of tax relating to earlier periods	(102.19)	(193.25)
Total current tax expense	**3,051.10**	**2,538.94**
Decrease (increase) in deferred tax assets	(565.07)	207.18
(Decrease) increase in deferred tax liabilities	74.10	(304.07)
Total deferred tax expense/(benefit)	**(490.97)**	**(96.89)**
Income tax expense	**2,560.13**	**2,442.05**

(b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	**11,903.43**	**11,046.11**
Tax at the Indian statutory income tax rate of 25.168% (March 31, 2020: 34.944%)*	2,995.86	3,859.95
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	(41.81)
Deduction on account of tax holiday period	-	(1,199.00)
Other non-deductible / (taxable) items	25.50	16.16
Effect of difference in tax rates used to calculate deferred tax on temporary differences*	(359.04)	-
Adjustments for current tax of earlier periods	(102.19)	(193.25)
Income tax expense	**2,560.13**	**2,442.05**

The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the tax rate used for the current year reconciliation above are the corporate tax rates of 25.168% (March 31, 2020: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax laws. The reconciliation also includes the impact of tax holidays availed by the Company under the old regime.

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, 2021

Particulars	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(203.33)	(203.33)
Gain/(loss) on FVTOCI financial assets	89.77	-	89.77
Total	**89.77**	**(203.33)**	**(113.56)**
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)**

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.

Notes to financial statements for the year ended March 31, 2021

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).

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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.

Nature of instrument	As at March 31, 2021		As at March 31, 2020	
	Amount outstanding FCY	Amount outstanding INR	Amount outstanding FCY	Amount outstanding INR
Hedged foreign currency exposures				
Forward contract - Buy				
In respect of foreign letters of credit (USD)	213.77	15,795.66	25.56	1,919.37
In respect of import bills accepted (USD)	6.95	509.99	0.48	36.25
In respect of buyer's credit (USD)	-	-	1.46	109.59
	220.72	**16,305.65**	**27.50**	**2,065.21**
Forward contract - Sell				
In respect of trade receivables (USD)	18.76	1,400.20	20.99	1,529.92
	18.76	**1,400.20**	**20.99**	**1,529.92**
Unhedged foreign currency exposures				
a) Payables				
Buyer's credit (including interest) (USD)	-	-	-	-
Letters of credit (USD)	114.27	8,354.16	238.81	18,073.27
Import bills accepted (Trade payables) (USD)	0.96	70.19	0.77	58.12
	115.23	**8,424.35**	**239.58**	**18,131.39**
b) Receivables				
Trade receivables (USD)	9.23	675.02	18.68	1,413.16
Trade receivables (AED)	2.80	55.72	-	-
	12.03	**730.74**	**18.68**	**1,413.16**

34 Fair value measurements

(i) Financial instruments by category	Note	As at March 31, 2021			As at March 31, 2020		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Investments							
- Equity instruments	7(a)	-	362.00	-	-	244.97	-
Security deposits	7(b)	-	-	246.68	-	-	128.87
Deposits having maturity of more than twelve months	7(b)	-	-	33.77	-	-	31.95
b) Financial assets - Current							
Trade receivables	11(a)	-	-	25,458.71	-	-	31,978.73
Cash and cash equivalents	11(b)	-	-	646.36	-	-	6,773.13
Other bank balances	11(c)	-	-	7,682.94	-	-	642.97
Loans	11(d)	-	-	5.08	-	-	272.82
Derivative assets	11(e)	9.42	-	-	18.76	-	-
Dividend receivable	11(e)	-	-	8.15	-	-	8.61
Insurance claim recoverable	11(e)	-	-	81.96	-	-	80.95
Interst accrued on inter corporate loans	11(e)	-	-	-	-	-	65.05
Litigation charges recoverable	11(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	11(e)	-	-	114.55	-	-	126.02
Interest subsidy recoverable	11(e)	-	-	201.35	-	-	285.25
Total financial assets		**9.42**	**362.00**	**34,499.15**	**18.76**	**244.97**	**40,413.95**

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

(i) Financial instruments by category	Note	As at March 31, 2021 FVTPL	FVTOCI	Amortised cost	As at March 31, 2020 FVTPL	FVTOCI	Amortised cost
c) Financial liabilities - Non-current							
Borrowings	15(a)	-	-	239.63	-	-	190.53
d) Financial liabilities - Current							
Borrowings	18(a)	-	-	9,160.85	-	-	18,348.22
Trade payables	18(b)	-	-	36,203.49	-	-	24,655.78
Current maturities of long-term borrowings	18(c)	-	-	226.90	-	-	203.72
Security deposits received from customers	18(c)	-	-	714.67	-	-	725.41
Creditors for capital expenditure	18(c)	-	-	370.36	-	-	466.85
Interest accrued on borrowings	18(c)	-	-	9.25	-	-	19.67
Employee payables	18(c)	-	-	1,259.77	-	-	1,418.36
Unpaid dividend account	18(c)	-	-	5.25	-	-	4.57
Derivative liabilities	18(c)	41.38	-	-	72.58	-	-
Total financial liabilities		**41.38**	**-**	**48,190.17**	**72.58**	**-**	**46,033.11**

(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.

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at March 31, 2021 Level 1	Level 2	Level 3	As at March 31, 2020 Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	362.00	-	-	244.97	-	-
Financial assets at FVTPL						
-Derivative assets	-	9.42	-	-	18.76	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	41.38	-	-	72.58	-

*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.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at March 31, 2021 Level 1	Level 2	Level 3	As at March 31, 2020 Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	246.68	-	-	128.87
Deposits having maturity of more than twelve months	-	33.77	-	-	31.95	-
Financial liabilities						
Long term borrowings (including current maturities)	-	466.53	-	-	394.25	-

There have been no transfers between Level 1 and Level 2 during the period.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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.

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Note	As at March 31, 2021		As at March 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	7(b)	246.68	246.68	128.87	128.87
-Deposits having maturity of more than twelve months*	7(b)	33.77	33.77	31.95	31.95
Financial liabilities					
- Long term borrowings (including current maturities)	15(a)	466.53	466.53	394.25	394.25

*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

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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 counterparty 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)

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, 2021 and March 31, 2020 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, 2021

(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	5.08	0%	-	5.08
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	246.68	0%	-	246.68

Notes to financial statements for the year ended March 31, 2021

(₹ 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	16,706.88	7,029.81	875.78	408.42	987.27	551.92	**26,560.08**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	16.95	14.06	4.38	20.42	493.64	551.92	**1,101.37**
Carrying amount of trade receivables (net of impairment)	**16,689.93**	**7,015.75**	**871.40**	**388.00**	**493.63**	**-**	**25,458.71**

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**
Reconciliation of loss allowance provision - trade receivables							
							Amount
Loss allowance on March 31, 2019							**526.74**
Changes in loss allowance							225.64
Loss allowance on March 31, 2020							**752.38**
Changes in loss allowance							348.99
Loss allowance on March 31, 2021							**1,101.37**
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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

(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, 2021	As at March 31, 2020
Floating rate		
Short term borrowings	29,385.43	26,195.97

(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, 2021	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	226.90	239.63		**466.53**
Lease liabilities	15(b)	196.88	284.32	-	**481.20**
Short term borrowings	18(a)	9,160.85	-	-	**9,160.85**
Trade payables	18(b)	36,203.49	-	-	**36,203.49**
Security deposits received from customers	18(c)	714.67	-	-	**714.67**
Creditors for capital expenditure	18(c)	370.36	-	-	**370.36**
Interest accrued on borrowings	18(c)	9.25	-	-	**9.25**
Employee payables	18(c)	1,259.77	-	-	**1,259.77**
Unpaid dividend account	18(c)	5.25	-	-	**5.25**
Derivative liabilities	18(c)	41.38	-	-	**41.38**
Total		**48,188.80**	**523.95**	**-**	**48,712.75**
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**

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, 2021 and March 31, 2020 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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

	Impact on profit before tax	
	Year ended March 31, 2021	**Year ended March 31, 2020**
USD sensitivity		
INR/USD - increase by 1% (March 31, 2020: 1%)	(77.49)	(167.18)
INR/USD - decrease by 1% (March 31, 2020: 1%)	77.49	167.18
AED sensitivity		
INR/AED - increase by 1% (March 31, 2020: Nil)	0.56	-
INR/AED - decrease by 1% (March 31, 2020: Nil)	(0.56)	-
	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, 2021**	**Year ended March 31, 2020**
INR/JPY - increase by 5% (March 31, 2020: 5%)	18.10	12.25
INR/JPY - decrease by 5% (March 31, 2020: 5%)	(18.10)	(12.25)

(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, 2021, 100% (March 31, 2020, 99.93%) of the Company's total borrowings are at a fixed rate of interest. As on March 31, 2021, the Company's borrowings were mainly denominated in INR. If borrowings carry floating rate of interest, the Company 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:

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings		
Long term borrowings (including current maturities)	466.53	381.90
Short term borrowings	9,160.85	18,348.22
Variable rate borrowings		
Long term borrowings (including current maturities)	-	12.35
Total borrowings	**9,627.38**	**18,742.47**

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:

Particulars	As at March 31, 2021			As at March 31, 2020		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	-	-	-	8.50% - 9.00%	12.35	0.07%
Net exposure to cash flow interest rate risk		**-**	**-**		**12.35**	**0.07%**

(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 Company's exposure to equity securities price risk arises from investments held by the Company 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 Company'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 36.20 (March 31, 2020: INR 24.50).

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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.

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Total debt	15(a),18(a),18(c)	9,627.38	18,742.47
(Less): Cash and cash equivalents	11(b)	(646.36)	(6,773.13)
Net debt		**8,981.02**	**11,969.34**
Total capital	13,14	81,839.76	73,023.38
Capital and net debt		**90,820.78**	**84,992.72**
Gearing ratio		**10%**	**14%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 & March 31, 2020.

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.

(b) Dividends

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Dividends paid on equity shares		
Final dividend for the year ended March 31, 2020 : Nil (March 31, 2019 : INR 2) per fully paid share	-	413.35
Dividend distrubution tax (DDT) on final dividend	-	84.99
Interim dividend for the year ended March 31, 2021 of INR 2 (March 31, 2020: INR 4) per fully paid share	413.36	826.70
Dividend distrubution tax (DDT) on interim dividend	-	169.93

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, 2021	Year ended March 31, 2020
Within India	1,34,731.76	1,28,601.55
Outside India	6,479.28	6,414.52
Total revenue	**1,41,211.04**	**1,35,016.07**

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

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 & CCO

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

c) Independent directors

1. Sh. Vrijesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Sh. Vinod Kumar Mittal (resigend w.e.f December 21, 2020)
5. Smt. Praveen Gupta

d) Relatives of KMPs

1. Sh. Sanjeev Aggarwal
2. Smt. Sonia Aggarwal
3. Smt. Anju Aggarwal
4. Smt. Pushpa Aggarwal
5. Miss Kritika Aggarwal
6. Sh. Sanskar Aggarwal

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. Vinod Metals Industries
3. Crystal Crop Protection Pvt. Ltd.
4. HPM Chemicals & Fertilizers Ltd.
5. Crop Care Federation of India
6. IIL foundation
7. 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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Advertisement expense	-	**0.30**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	-	0.30				-		-				
Consultancy expenses	-	-	-	-	-	-	-	-	**10.88**	**10.96**	-	-
Smt. Sonia Aggarwal									10.88	10.96		
Deputation fee income	-	-	**30.23**	**38.39**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			30.23	38.39								
Membership & Subscription expense	**11.80**	**11.80**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	11.80	11.80										
Purchase of Capital & Consumabable Goods	**194.51**	**165.36**	-	-	-	-	-	-	-	-	-	-
Vinod Metal Industries	194.51	165.36										

Notes to financial statements for the year ended March 31, 2021

(₹ 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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Sales of Finished Goods	**364.05**	**3,747.49**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	2.86	2,910.56										
HPM Chemical & Fertilizers Limited	-	390.50										
Indogulf Cropsciences Limited	361.19	446.43										
Purchases of Traded Goods	-	**1.87**	-	-	-	-	-	-	-	-	-	-
HPM Chemical & Fertilizers Limited	-	1.87										
Purchases of Raw Material	**4,732.37**	**4,914.47**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	4,732.37	4,112.57										
Indogulf Cropsciences Limited	-	801.90										
Other Expenses	-	**17.70**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	-	17.70		-								
R & D Expenses	-	-	**395.54**	**385.34**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			395.54	385.34								
Rent paid	**33.42**	**65.63**	-	-	-	-	-	-	**2.64**	**2.64**	-	-
ISEC Organics Ltd	33.42	65.63				-		-	-	-		
Smt. Pushpa Aggarwal	-	-				-		-	2.64	2.64		
Purchase of Property, Plant & Equipment	-	**777.60**	-	-	-	-	-	-	-	-	-	-
ISEC Organics Ltd	-	777.60										
Revenue from Job Work	-	-	**23.72**	**46.05**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			23.72	46.05								

Notes to financial statements for the year ended March 31, 2021

(₹ 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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Remuneration paid *	**-**	**-**	**-**	**-**	**828.76**	**901.08**	**42.45**	**42.80**	**49.85**	**46.57**	**-**	**-**
Sh. Hari Chand Aggarwal					395.58	431.77						
Sh. Rajesh Aggarwal					389.99	425.83						
Smt. Nikunj Aggarwal					43.19	43.48						
Sh. Sandeep Aggarwal							32.39	32.66				
Sh. Sandeep Kumar							10.06	10.14				
Sh. Sanjeev Aggarwal									20.78	20.96		
Smt. Anju Aggarwal									12.68	12.79		
Miss Kritika Aggarwal									12.71	12.82		
Sh. Sanskar Aggarwal									3.68	-		
Contribution to CSR	**307.13**	**190.10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	307.13	190.10										
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12.50**	**11.00**
Sh. Vinod Kumar Mittal											1.50	2.50
Sh. Jayaraman Swaminathan											3.50	3.50
Smt. Praveen Gupta											2.50	0.50
Sh. Navin Shah											2.50	2.00
Sh. Vrijesh Kumar Gupta											2.50	2.50
* Excluding post employment benefits												

(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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Remuneration payable	**-**	**-**	**-**	**-**	**11.44**	**111.28**	**2.86**	**3.16**	**3.45**	**4.00**	**-**	**-**
Sh. Hari Chand Aggarwal					4.74	105.33	-	-	-	-		
Sh. Rajesh Aggarwal					4.51	3.51	-	-	-	-		
Smt. Nikunj Aggarwal					2.19	2.44	-	-	-	-		
Sh. Sandeep Aggarwal					-	-	1.76	1.87	-	-		
Sh. Sandeep Kumar					-	-	1.10	1.29	-	-		
Sh. Sanjeev Aggarwal					-	-	-	-	1.30	1.70		
Smt. Anju Aggarwal					-	-	-	-	0.89	0.89		
Miss Kritika Aggarwal					-	-	-	-	0.79	1.41		
Sh. Sanskar Aggarwal					-	-	-	-	0.47	-		
Trade Payables	**357.21**	**169.14**	**-**	**-**			**-**	**-**	**0.86**	**3.22**	**2.03**	**-**

Notes to financial statements for the year ended March 31, 2021

(₹ 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	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Vinod Metal Industries	105.76	61.46							-	-	-	-
Crystal Crop Protection Ltd	251.45	-							-	-	-	-
Isec Organics Ltd.	-	89.84							-	-	-	-
Crop Care Federation of India	-	17.84							-	-	-	-
Smt. Sonia Aggarwal	-	-							0.86	0.84	-	-
Smt. Pushpa Aggarwal	-	-							-	2.38	-	-
Smt. Praveen Gupta	-	-							-	-	0.46	-
Sh. Jayaraman Swaminathan	-	-							-	-	0.65	-
Sh. Navin Shah	-	-							-	-	0.46	-
Sh. Vrijesh Kumar Gupta	-	-							-	-	0.46	-
Trade Receivables	**200.49**	**53.60**	**6.92**	**18.12**			**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Ltd	2.86	-	-	-								
Indogulf Cropsciences Ltd	197.63	53.60	-	-								
OAT & IIL India Laboratories Private Limited	-	-	6.92	18.12								
Advances given	**-**	**625.57**	**-**	**4.97**			**-**	**-**	**-**	**-**	**-**	**0.24**
Crystal Crop Protection Ltd	-	625.57	-	-							-	-
OAT & IIL India Laboratories Private Limited	-	-	-	4.97							-	-
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, 2021	Year ended March 31, 2020
Short-term employee benefits	871.21	943.88
Post-employment benefits	26.41	21.83
Long-term employee benefits	-	-
Total	**897.62**	**965.71**

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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

39 Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the company not acknowledged as debt		
a) Bank Guarantee	265.68	104.50
b) Excise Matter with Appellate Authority	429.51	429.51
c) Sales Tax / GST Matters	501.03	397.57
d) Revenue Department	89.60	89.60

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 of the Company. Therefore, the probability of outflow of resources is remote.

40 Commitments

Commitments with respect to:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	994.88	89.88
Other commitments		
Letter of Credits (FLC & ILC)	7,509.64	8,232.72
	8,504.52	**8,322.60**

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.

a) Amounts recognized in profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets (Refer Note 27)	211.33	229.03
Interest expense on lease liabilities (Refer Note 26)	42.54	54.31
Expense relating to short-term leases (included in rent) (Refer Note 28)	34.22	73.98
(Gain)/loss on termination of leases (included in miscellaneous income) (Refer Note 22)	(0.81)	(5.59)
Total	**287.28**	**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.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

42 Earnings per share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year	9,343.30	8,604.06
Weighted average number of shares (Face value Rs 10/- each)	2,06,67,796	2,06,67,796
(a) Basic earnings per share (INR)	45.21	41.63
(b) Diluted earnings per share (INR)*	45.21	41.63
*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, 2021	As at March 31, 2020
Current			
Financial assets			
First charge			
Trade receivables	11(a)	25,458.71	31,978.73
Loans	11(d)	5.08	272.82
Other financial assets	11(e)	435.03	604.24
		25,898.82	**32,855.79**
Non-financial assets			
Inventories	10	66,087.25	51,926.48
Other current assets	12	1,313.44	1,407.22
Total current assets pledged as security		**93,299.51**	**86,189.49**
Non-Current			
Financial assets			
First charge			
Security deposits	7(b)	246.68	128.87
Non-financial assets			
Property, plant and equipment	3	20,853.52	20,893.13
Capital work-in-progress	3	5,187.22	3,288.41
Other non-current assets	9	1,151.69	682.22
Total non-currents assets pledged as security		**27,439.11**	**24,992.63**
Total assets pledged as security		**1,20,738.62**	**1,11,182.12**

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, 2021 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, 2021	As at March 31, 2020
i	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	-	274.45
	Interest	-	0.48
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 2020-21	276.43	63.60
	Interest Paid during FY 2020-21	-	-
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
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.		
	Accounting year ended 31st March 2021	-	-
	Accounting year ended 31st March 2020*	-	2.46
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

* The interest has been reversed since the same was not required to be paid as per the agreement/PO

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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, 2021	As at March 31, 2020
Trade Receivables (refer note 11(a))	25,458.71	31,978.73
Total trade receivables	**25,458.71**	**31,978.73**
Advance from customers (contract liabilities) (refer note 19 & 21)	9,169.88	7,174.31
Total advance from customers (contract liabilities)	**9,169.88**	**7,174.31**

47 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 7828.87 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.

48 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, 2021	Maximum Amount Outstanding during the year ended March 31, 2021	Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	-	320.84	320.84	445.16
- Mentor Financial Services Pvt. Ltd (for Business purpose)	-	9.21	9.21	842.52
Note: Advances to employee as per company's policy are not considered.				

49 Exceptional item represents a one-time expense on account of fraud committed by two employees of the Company in collusion with 16 dealers and distributors of the Company. The said dealers and distributors had sold the goods in cash at reduced price to different customers. However, the invoices were raised in the name of Company's authorised debtors. The Company has filed FIR on July 04, 2020 in P.S. Janjgir District, Janjgir-Champa, Chhattisgarh. After internal investigation in the matter, the Company has recognized bad debts amounting to INR 970.15. The Company is of the view that there is no significant impact of aforesaid fraud on the general business conditions, financial position, profit & loss and liquidity position, except for the amounts already recognized.

50 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations

(i) Amendments to Ind AS 116: *Covid-19-Related Rent Concessions*

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the April 1, 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the April 1, 2019. This amendment had no impact on the financial statements of the Company.

(ii) Amendments to Ind AS 103 *Business Combinations*

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the April 1, 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

(iii) Amendments to Ind AS 1 and Ind AS 8: *Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Notes to financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

(iv) Amendments to Ind AS 107 and Ind AS 109: *Interest Rate Benchmark Reform*

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the April 1, 2020. These amendments did not have any impact on the Company's financial statements.

(b) Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2021 to amend Ind AS. The rules shall come into force on the date of their publication in the Official Gazette i.e June 18, 2021.

(i) Amendments to Ind AS 116: *Leases*

The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from June 30, 2021 to June 30, 2022. The Company is in the process of evaluating the impact of the amendments on its financial statements.

(ii) Amendments to Ind AS 109 *Financial Instruments*

The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform. The Company is in the process of evaluating the impact of the amendments on its financial statements but does not expect the amendments to have an impact on the financial statements.

(iii) Other amendments

The other amendments to Ind AS are in terms of insertion of certain paragraphs, substituting the definition of certain terms used in the standard along with aligning the text of Standards with the Conceptual Framework of Financial reporting under Ind AS. The Company is in the process of evaluating the impact of the amendments on its financial statements but does not expect the amendments to have an impact on the financial statements.

51 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, has used internal and external sources of information. Based on the Company assessment, no material impact has been noted. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have bearing on the Company's operations.

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 18, 2021

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

Independent Auditor's Report on Consolidated Financial Statement

Independent Auditor's Report
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, 2021, 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, 2021, 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. 50 of the Consolidated Financial Statement, highlighting the fraud committed by two employees of the Company in collision with Company's dealers & distributors and FIR filed by the management of the Company against them. Based on the internal assessment & enquiry, Company has recognized bad debts amounting to Rs. 970.15 lakhs in this respect and shown it as exceptional item during the year ended March 31, 2021. Further, Company is of the view that there is no significant impact of the committed fraud on the business conditions of the Company, its liquidity position and has concluded that no material adjustments are required in the financial statements.

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, 2021, Consolidated Statement of Profit & Loss includes Sales of Rs. 1,41,211.03 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. 48.27 lakhs for the year ended March 31, 2021, 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, 2021 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, 2021 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

Harish Gupta
Partner
Membership number: 098336
UDIN : 21098336AAAACM3297

Place: New Delhi
Date : June 18, 2021

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

Devesh Parekh
Partner
Membership number: 092160
UDIN: 21092160AAAANX2517

Place: New Delhi
Date : June 18, 2021

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, 2021, 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, 2021, 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 & Co.**
Chartered Accountants
Firm's registration number: 000756N

Harish Gupta
Partner
Membership number: 098336
UDIN : 21098336AAAACM3297

Place: New Delhi
Date : June 18, 2021

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

Devesh Parekh
Partner
Membership number: 092160
UDIN: 21092160AAAANX2517

Place: New Delhi
Date : June 18, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 .Non-current assets			
(a) Property, plant and equipment	3	20,853.52	20,893.13
(b) Capital work-in-progress	3	5,187.22	3,288.41
(c) Right-of-use asset	4	2,584.56	2,514.73
(d) Intangible assets	5	441.83	501.91
(e) Intangible assets under development	5	677.54	607.49
(f) Investment in joint venture	6	992.75	944.48
(g) Financial assets	7		
(i) Investments	7(a)	362.00	244.97
(ii) Other financial assets	7(b)	280.45	160.82
(h) Non-current tax assets (net)	8	1,072.08	1,396.89
(i) Other non-current assets	9	1,534.31	1,056.11
Total non-current assets		**33,986.26**	**31,608.94**
2 Current assets			
(a) Inventories	10	66,087.25	51,926.48
(b) Financial Assets	11		
(i) Trade receivables	11(a)	25,458.71	31,978.73
(ii) Cash and cash equivalents	11(b)	646.36	6,773.13
(iii) Bank balances other than (ii) above	11(c)	7,682.94	642.97
(iv) Loans	11(d)	5.08	272.82
(v) Other financial assets	11(e)	435.03	604.24
(c) Other current assets	12	8,293.06	5,634.79
Total current assets		**108,608.43**	**97,833.16**
Total assets		**142,594.69**	**129,442.10**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	2,066.78	2,066.78
(b) Other Equity	14	79,970.73	71,106.08
Total equity		**82,037.51**	**73,172.86**
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities Place : Delhi	15		
(i) Borrowings	15(a)	239.63	190.53
(ii) Lease liabilities	15(b)	253.35	176.31
(b) Provisions	16	276.79	103.88
(c) Deferred tax liabilities (net)	17	1,335.69	1,867.78
Total non-current liabilities		**2,105.46**	**2,338.50**
2 Current liabilities			
(a) Financial Liabilities	18		
(i) Borrowings	18(a)	9,160.85	18,348.22
(ii) Lease liabilities	15(b)	163.42	192.72
(iii) Trade Payables	18(b)		
(A) total outstanding due of micro enterprises and small enterprises; and		2,567.17	1,178.57
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		33,636.32	23,477.21
(iv) Other financial liabilities	18(c)	2,627.58	2,911.16
(b) Other current liabilities	19	10,021.46	7,564.75
(c) Provisions	20	274.92	258.11
Total current liabilities		**58,451.72**	**53,930.74**
Total equity and liabilities		**142,594.69**	**129,442.10**

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

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

Place : Delhi
Date : June 18, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	21	142,022.58	136,321.96
Other Income	22	772.78	256.55
Total Income		**142,795.36**	**136,578.51**
Expenses			
Cost of raw material and components consumed	23	104,517.82	79,083.88
Purchase of Traded Goods		5,795.48	4,600.90
Changes in inventories of finished goods, work-in-progress and traded goods	24	(3,526.01)	17,249.15
Employee benefits expense	25	7,650.66	7,474.23
Finance Costs	26	665.11	2,388.98
Depreciation and amortization expense	27	2,467.18	2,407.20
Other expenses	28	12,351.54	12,328.06
Total expenses		**129,921.78**	**125,532.40**
Profit before tax, exceptional items and share of net profit of investment accounted for using equity method		**12,873.58**	**11,046.11**
Exceptional items	50	970.15	-
Profit before tax and share of net profits of investments accounted for using equity method		11,903.43	11,046.11
Share of net profit of joint venture accounted for using the equity method	53	47.00	87.25
Profit before tax		**11,950.43**	**11,133.36**
Tax Expenses	30		
- Current Tax		3,051.10	2,538.94
- Deferred Tax		(490.97)	(96.89)
Total Tax Expenses		**2,560.13**	**2,442.05**
Profit for the period		**9,390.30**	**8,691.31**
Other comprehensive income	31		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		117.03	(143.03)
Remeasurement of net defined benefit plans		(271.71)	(170.23)
Share of other comprehensive income of joint venture accounted for using the equity method		1.69	(4.54)
Income tax relating to these items		40.69	93.95
Other comprehensive income for the period (net of tax)		**(112.30)**	**(223.85)**
Total comprehensive income for the period (net of tax)		**9,278.00**	**8,467.46**
Earnings per equity share	43		
Basic earnings per share		45.43	42.05
Diluted earnings per share		45.43	42.05

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

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

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

Place : Delhi
Date : June 18, 2021

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 Changes In Equity for the year ended March 31, 2020

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Amount
As at April 1, 2019	2,066.78
Changes in equity share capital	-
As at March 31, 2020	2,066.78
Changes in equity share capital	-
As at March 31, 2021	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, 2019	**10,410.18**	**3,201.52**	**50,464.78**	**57.11**	**64,133.59**
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**
Profit for the year			9,390.30		9,390.30
Other comprehensive income (Net of taxes)			(202.06)	89.77	(112.29)
Total comprehensive income for the period			**9,188.24**	**89.77**	**9,278.01**
Final dividend paid during the year			-		-
Tax on Final dividend paid			-		-
Interim dividend paid during the year			(413.36)		(413.36)
Tax on Interim dividend paid			-		-
Balance at March 31, 2021	**10,410.18**	**3,201.52**	**66,321.87**	**37.16**	**79,970.73**

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

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

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

Place : Delhi
Date : June 18, 2021

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 Cash Flow for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Cash Flow From Operating Activities		
Net profit before tax	**11,950.43**	**11,133.36**
- Share of Net Profit of Joint Venture	(47.00)	(87.25)
- Depreciation	2,467.18	2,407.20
- (Profit)/ Loss on Sale of Assets	37.94	37.22
- Miscellaneous Expenses	-	6.34
- Miscellaneous Income	(0.81)	(5.59)
- Interest Income	(251.18)	(142.30)
- Dividend Income	(9.62)	(10.16)
- Interest Expenses	665.11	2,388.98
- Bad debts written off	47.06	6.34
- Provision for impairment of trade receivables	348.99	225.64
- Derivative (gain) / loss	(21.86)	(64.40)
- Unrealised exchange differences	(294.65)	(8.40)
Operating Profit Before Working Capital Changes	**14,891.59**	**15,886.98**
Adjustments for		
- (Increase)/Decrease in security deposits	(117.81)	(1.85)
- (Increase)/Decrease in inventories	(14,160.77)	18,584.16
- (Increase)/Decrease in trade receivables	6,203.48	(7,785.82)
- (Increase)/Decrease in loans	2.74	8.79
- (Increase)/Decrease in other financial assets	94.37	(92.61)
- (Increase)/Decrease in other current assets	(2,666.99)	2,923.41
- (Increase)/Decrease in provisions	(81.99)	(17.32)
- Increase/(Decrease) in trade payables	11,809.90	(3,330.82)
- Increase/(Decrease) in other financial liabilities	(169.35)	364.55
- Increase/(Decrease) in other current liabilities	2,456.71	856.11
Cash generated from operations	**18,261.88**	**27,395.58**
Less: Income tax paid	(2,726.29)	(3,210.32)
Net Cash Flow from Operating Activities (A)	**15,535.59**	**24,185.26**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets, capital-work-in-progress and intangible assets under development	(4,829.79)	(2,902.23)
- Proceeds from sale of property plant and equipment	66.96	59.09
- Interest received	269.17	104.82
- Proceeds from / (investment in) bank deposits	(7,041.11)	(614.75)
- Inter Corporate Loans (Given) / Received back	265.00	935.00
- Dividends received	10.08	9.27
Net Cash Flow used in Investing Activities (B)	**(11,259.69)**	**(2,408.80)**
(C) Cash Flow From Financing Activities		
- Repayment of long term borrowings	(226.21)	(928.86)
- Proceeds from long term borrowings	298.49	319.91
- Proceeds/(Repayment) from/of short term borrowings	(9,187.37)	(11,160.62)
- Repayment of lease liabilities	(198.69)	(161.18)
- Interest paid	(675.53)	(2,471.77)
- Dividend paid (including dividend distribution tax)	(413.36)	(1,494.98)
Net Cash Flow (used in) / from Financing Activities (C)	**(10,402.67)**	**(15,897.50)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(6,126.77)**	**5,878.96**
Cash and Cash Equivalents at the beginning of the year	6,773.13	894.17
Cash and Cash Equivalents at the end of the year	**646.36**	**6,773.13**

Consolidated Statement of Cash Flow for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
On current accounts	640.03	4,243.04
Cash on hand	6.33	9.03
Deposits with original maturity upto three months	-	2,521.06
Total cash and cash equivalents	**646.36**	**6,773.13**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2020	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2021
Long term borrowings (including current maturities)	394.25	72.28	-	-	466.53
Lease liabilities (including current maturities)	369.03	(198.69)	-	246.43	416.77
Short term borrowings	18,348.22	(9,187.37)	-	-	9,160.85
	19,111.50	**(9,313.78)**	**-**	**246.43**	**10,044.15**
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**

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

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

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

Place : Delhi
Date : June 18, 2021

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 consolidated financial statements for the year ended March 31, 2021

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.

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 18, 2021.

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

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. Refer to the accounting policies in section (j) Impairment of non-financial assets.

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
0.10%	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.

(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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2020	Addition	Sale / Adjustment	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation for the year		Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
						Depreciation	Disposal / Adjustments			
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,321.29	250.89	9.42	8,562.76	943.06	291.70	1.53	1,233.23	7,329.53	7,378.23
Plant and machinery	15,856.48	1,519.54	18.69	17,357.33	4,613.95	1,416.72	13.55	6,017.12	11,340.21	11,242.53
Roads	1,330.39	-	-	1,330.39	614.87	153.72	-	768.59	561.80	715.52
Office equipments	125.56	15.98	1.91	139.63	72.12	19.15	1.62	89.65	49.98	53.44
Furniture & fixtures	230.87	20.77	0.03	251.61	84.73	24.28	-	109.01	142.60	146.14
Electrical fittings	355.60	60.28	-	415.88	178.03	49.60	-	227.63	188.25	177.57
Computers	215.49	19.89	0.13	235.25	117.65	31.17	0.13	148.69	86.56	97.84
Vehicles	1,375.79	331.67	213.52	1,493.94	382.44	167.38	121.96	427.86	1,066.08	993.35
Total	**27,899.98**	**2,219.02**	**243.70**	**29,875.30**	**7,006.85**	**2,153.72**	**138.79**	**9,021.78**	**20,853.52**	**20,893.13**

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		Balance as at March 31, 2020	As at March 31, 2020	As at March 31, 2019
						Depreciation	Disposal / Adjustments Reclassification*			
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

Capital Work In Progress

Cost	Amount
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**
As at April 1, 2020	**3,288.41**
Additions	3,477.86
Capital Goods in Transit	83.02
Capitalised during the year	(1,662.07)
As at March 31, 2021	**5,187.22**

a) **Contractual obligations** - Refer to note 41 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 and Chopanki Technical Plant.

c) **Assets charged against borrowings** - Refer note 44 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, 2021

(₹ in 'Lacs', unless mentioned otherwise)

4 Right-of-Use Assets
Property, plant and equipment

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 as at April 01, 2020	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	2,207.97	33.92	-	2,241.89	14.67	15.50	-	30.17	2,211.72	2,193.30
Office Premises	114.01	11.47	1.00	124.48	47.43	48.75	0.51	95.67	28.81	66.58
Warehouses	396.19	245.47	12.29	629.37	141.34	147.08	3.08	285.34	344.03	254.85
Total	**2,718.17**	**290.86**	**13.29**	**2,995.74**	**203.44**	**211.33**	**3.59**	**411.18**	**2,584.56**	**2,514.73**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2019	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2020	Balance as at April 01, 2019	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land	2,102.40	105.57	-	2,207.97	-	14.67	-	14.67	2,193.30	2,102.40
Office Premises	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, 2020	Addition	Sale / Adjustment	Balance as at March 31, 2021	Balance as at April 01, 2020	Amortisation for the year		Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
						Amortisation	Disposal / adjustment			
Software	186.19	1.75	-	187.94	98.08	30.99	-	129.07	58.87	88.11
Website	1.65	1.00	-	2.65	1.25	0.50	-	1.75	0.90	0.40
Patents, trademarks and designs	568.96	39.30	-	608.26	155.56	70.64	-	226.20	382.06	413.40
Total	**756.80**	**42.05**	**-**	**798.85**	**254.89**	**102.13**	**-**	**357.02**	**441.83**	**501.91**

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**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Intangible assets under development*

Cost	Amount
As at April 1, 2019	**628.71**
Additions	253.36
Capitalised during the year	(274.58)
As at March 31, 2020	**607.49**
As at April 1, 2020	**607.49**
Additions	111.10
Capitalised during the year	(41.05)
As at March 31, 2021	**677.54**

* Intangible assets under development mainly comprises software under development and patents for which registration is awaited.

6 Investment in joint venture

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in unquoted equity shares - Fully paid-up - At cost		
795,000 {(March 31, 2020: 795,000) Equity Shares of OAT & IIL India Lab.(P) Ltd. at INR 100 each}	992.75	944.48
Total	**992.75**	**944.48**
*Refer note 37		

7 Financial assets - non-current

7(a) Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investments stated at Fair Value through OCI		
Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
36,400 {(March 31, 2020: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company)}	362.00	244.97
Total	**362.00**	**244.97**
Aggregate book value of quoted investments	362.00	244.97
Aggregate market value of quoted investments	362.00	244.97

7(b) Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposit accounts having maturity of more than twelve months	33.77	31.95
Security deposits	246.68	128.87
Total	**280.45**	**160.82**

8 Non-current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax	1,072.08	1,396.89
[Net of provision for tax INR 3,153.29 (March 31, 2020: INR 2,258.65)]		
Total	1,072.08	1,396.89

9 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Capital advances	1,151.69	682.22
Advances other than Capital Advances		
Balances with government authorities	367.90	346.42
Prepaid expenses	14.72	27.47
Total	**1,534.31**	**1,056.11**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

10 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
At the lower of cost and net realisable value		
Raw Material {INR 463.03 (March 31, 2020: INR 481.14) in transit}	27,360.29	17,033.79
Packing material {INR 20.39 (March 31, 2020: INR 20.54) in transit}	1,845.54	1,521.91
Work-in-progress	7,803.01	7,110.33
Stock-in-trade (Traded Goods) {INR 20.81 (March 31, 2020: NIL) in transit}	1,132.16	890.91
Finished goods (Manufactured) {(INR 262.96 (March 31, 2020: INR 1,608.90) in transit}	27,809.01	25,216.93
Stores, Scrap material, Spares Parts & Fuel {INR 3.44 (March 31, 2020: INR 0.73) in transit}	137.24	152.61
Total	**66,087.25**	**51,926.48**

11 Financial assets - current

11(a) Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
- to related parties (refer note 39)	207.41	71.72
- to others	26,352.67	32,659.39
Less: Impairment of Trade Receivables	(1,101.37)	(752.38)
Total (refer note 47)	**25,458.71**	**31,978.73**
Breakup of Trade Receivables		
Unsecured, considered good	25,458.71	31,978.73
Credit Impaired	1,101.37	752.38
Subtotal	**26,560.08**	**32,731.11**
Impairment of Trade Receivables (refer note 35)	(1,101.37)	(752.38)
Total	**25,458.71**	**31,978.73**
- 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.	6.92	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, 2021	As at March 31, 2020
Balances with banks		
On current accounts	640.03	4,243.04
Cash on hand	6.33	9.03
Deposit accounts with original maturity upto three months	-	2,521.06
Total	**646.36**	**6,773.13**

11(c) Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
In earmarked accounts		
Unpaid dividend	5.25	4.57
Balances with banks		
On current accounts *	1,500.00	-
On deposit accounts with original maturity upto three months *	6,009.65	-
On deposit accounts with remaining maturity between three and twelve months **	168.04	638.40
Total	**7,682.94**	**642.97**

* Other bank balance as at March 31, 2021 includes restricted bank balances of INR 1,500 lacs in escrow account and INR 6,000 lacs in deposits respectively. The restrictions are primarily on account of bank balances held as and by way of security for performance of buy back obligations.

** The fixed deposits made with banks had been given as margin money against Bank Guarantee/ Letter of credit.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

11(d) Loans

Particulars	Interest rate		As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Loans to employees	-		5.08	7.82
Inter Corporate Loans (refer note 49)	-		-	265.00
Total			**5.08**	**272.82**
Loans due from directors or other officers of the Group at the end of the period.			Nil	Nil

11(e) Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Measured at fair value through profit and loss		
Derivative assets	9.42	18.76
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	8.15	8.61
Insurance claim recoverable	81.96	80.95
Interst accrued on inter corporate loans	-	65.05
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	114.55	126.02
Interest subsidy recoverable	201.35	285.25
Total	**435.03**	**604.24**

12 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 39)	-	630.78
-to others	1,221.46	756.13
Advances to employees	91.98	20.31
Balances with government authorities	6,607.65	4,093.62
Prepaid expenses	371.97	133.95
Total	**8,293.06**	**5,634.79**
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

13 Equity share capital

Authorised share capital	**Number of shares**	**INR**
As at April 1, 2020	**25,000,000**	**2,500.00**
Increase/(decrease) during the year	-	-
At March 31, 2021	**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, 2020	**20,667,796**	**2,066.78**
Increase/(decrease) during the year	-	-
At March 31, 2021	**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 2/- per share as Interim Dividend and paid the same on November 09, 2020. No final dividend has been recommended on equity shares for the financial year ended 2020-21.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

(b) The details of Shareholders holding more than 5% shares :	As at March 31, 2021		As at March 31, 2020	
Name of the Shareholder	**Number of Shares**	**% Held**	**Number of Shares**	**% Held**
Nikunj Aggarwal	3,125,000	15.12	1,125,000	5.44
Sanskar Aggarwal	2,901,800	14.04	901,800	4.36
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
Rajesh Aggarwal	1,322,120	6.40	5,321,916	25.75

(c) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date :
The Group 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.

(d) Proposed Buyback : Board of Directors of the Company at its meeting held on March 30, 2021, have approved Buyback of fully paid-up equity shares of face value of INR 10/- each of the Company at a price not exceeding INR 575/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding INR 6,000 Lacs ("Maximum Buyback Size") from the open market through Stock Exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

14 Other equity

a) Reserves and surplus

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	66,321.87	57,546.99
Securities premium	10,410.18	10,410.18
General reserve	3,201.52	3,201.52
Total reserves and surplus	**79,933.57**	**71,158.69**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Retained earnings		
Opening balance	**57,546.99**	**50,464.78**
Profit for the year	9,390.30	8,691.31
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of net defined benefit plans, net of tax	(202.06)	(114.13)
Final dividend paid during the year	-	(413.35)
Tax on Final dividend paid	-	(84.99)
Interim dividend paid during the year	(413.36)	(826.70)
Tax on Interim dividend paid	-	(169.93)
Closing balance	**66,321.87**	**57,546.99**
(ii) Securities premium		
Opening balance	10,410.18	10,410.18
Additions during the year	-	-
Closing balance	**10,410.18**	**10,410.18**
(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	**79,933.57**	**71,158.69**

b) Other reserves

Particulars	As at March 31, 2021	As at March 31, 2020
FVTOCI reserve - equity instruments	37.16	(52.61)
Total other reserves	**37.16**	**(52.61)**

Particulars	As at March 31, 2021	As at March 31, 2020
i) FVTOCI reserve - equity instruments		
Opening balance	(52.61)	57.11
Change in fair value of FVTOCI equity instruments	**89.77**	**(109.72)**
Closing balance	**37.16**	**(52.61)**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 31.		
Total other equity	**79,970.73**	**71,106.08**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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, 2021 & March 31, 2020.

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, 2021	As at March 31, 2020
Secured		
Indian Rupee loan from banks		
Vehicle loans	466.53	394.25
Total	**466.53**	**394.25**
Less: Current maturities of long-term debt (included in note 18(c))	226.90	203.72
Non-current borrowings (as per balance sheet)	**239.63**	**190.53**
Nature of Security and terms of repayment for secured borrowing :		
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 7.85% to 9.50% 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.		

15(b) Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current	163.42	192.72
Non-current	253.35	176.31
Total	**416.77**	**369.03**
Set out below are the carrying amounts of lease liabilities and the movements during the period:		
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance at April 1	**369.03**	**680.15**
Accretion of interest	42.54	54.31
Addition in lease liability	256.94	38.92
Repayment of lease liability	(241.23)	(215.49)
Derecognition of lease liability	(10.51)	(188.86)
Balance at March 31	**416.77**	**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 2021-2025.		

16 Long term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit provisions		
Provision for gratuity	133.24	4.48
Provision for leave encashment	143.55	99.40
Total	**276.79**	**103.88**
Refer note 20 for disclosure of employee benefits.		

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

17 Deferred tax liabilities (Net)

Particulars	As at April 1, 2020	Charge/ (credit) to Statement of Profitand Loss	Charge / (credit) to other comprehensive income	MAT credit utilised	As at March 31, 2021
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(2,298.70)	(542.41)	-	-	(1,756.29)
Derivatives	(6.55)	(4.18)	-	-	(2.37)
Right-of-use asset	(112.32)	(18.48)	-	-	(93.84)
Investments	-	-	11.29	-	(11.29)
Total deferred tax liabilities	**(2,417.57)**	**(565.07)**	**11.29**	**-**	**(1,863.79)**
Deferred tax assets					
Investments	15.97	-	15.97	-	-
Impairment of Trade Receivables	262.91	(14.28)	-	-	277.19
Derivatives	25.37	14.95	-	-	10.42
Lease liabilities	119.05	17.41	-	-	101.64
Employee benefit provisions	126.49	56.02	(68.38)	-	138.85
Total deferred tax assets	**549.79**	**74.10**	**(52.41)**	**-**	**528.10**
Net deferred tax liabilities	**(1,867.78)**	**(490.97)**	**(41.12)**	**-**	**(1,335.69)**
Particulars	**As at April 1, 2019**	**Charge/ (credit) to Statement of Profitand 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)**

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, 2021	As at March 31, 2020
Secured					
Working Capital facilities from Banks					
Loans repayable on demand					
Working capital demand loans	Apr 21- May 21	4.75% - 4.90%		6,641.38	15,272.06
Cash credit from banks	On demand	10.95%		2,483.47	2,852.88
Buyers Credit Loans (USD)	-	-		-	108.98
Cheques sent for collection	Apr-21	-		36.00	114.30
Total				**9,160.85**	**18,348.22**

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, 2021	As at March 31, 2020
Trade payables		
- to related parties (refer note 39)	360.10	172.36
- to others	35,843.39	24,483.42
Total	**36,203.49**	**24,655.78**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) total outstanding due of micro, small & medium enterprises; and	2,567.17	1,178.57
(B) total outstanding dues of creditors other than micro enterprises, small & medium enterprises	33,636.32	23,477.21
Total	**36,203.49**	**24,655.78**

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, 2021	As at March 31, 2020
Financial liabilities at amortised cost		
Current maturities of long-term borrowings (refer note 15(a))	226.90	203.72
Security deposits received from customers	714.67	725.41
Creditors for capital expenditure	370.36	466.85
Interest accrued on borrowings	9.25	19.67
Employee payables		
- to related parties (refer note 39)	17.75	118.44
- to others	1,242.02	1,299.92
Unpaid dividend account	5.25	4.57
Financial liabilities at fair value through profit and loss		
Derivative liabilities	41.38	72.58
Total	**2,627.58**	**2,911.16**

19 Other current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers (refer note 47)	9,169.88	7,174.31
Statutory dues	851.58	390.44
Total	**10,021.46**	**7,564.75**

20 Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefit provisions		
Provision for gratuity	255.73	253.37
Provision for leave encashment	19.19	4.74
Total	**274.92**	**258.11**

(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, 2021	Year ended March 31, 2020
Employer's Contribution to Employee's Provident Fund (including admin charges)	367.92	364.60
Employer's Contribution to Employee's State Insurance	20.04	28.03
Total	**387.96**	**392.63**

(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, 2021	As at March 31, 2020
Rate of Discounting	6.57%	6.82%
Rate of Salary Increase	8.00%	5.00%
Rate of Employee Turnover	For Service 2 years and below-27%, For Service 3 years to 4 years - 15%, For Service 5 years and above-8%	2.00%
Mortality Rate During Employment	IALM (2006-08)	IALM (2006-08)

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

Changes in the present value of the defined benefit obligation are as follows:	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	871.02	627.90
Interest cost	59.40	48.91
Current service cost	99.68	72.49
Past service cost	-	-
Benefits paid	(32.08)	(22.71)
Actuarial (gain) / loss		
Due to change in Demographic assumptions	42.60	-
Due to change in financial assumptions	220.93	74.27
Due to change in experience	(12.60)	70.16
Closing defined benefit obligation	**1,248.95**	**871.02**

Changes in the Fair Value of Plan Assets are as follows:	As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Assets at the Beginning of the Period	613.17	496.97
Interest Income	41.82	38.71
Contributions by the Employer	257.85	126.00
Benefits paid	(32.08)	(22.71)
Return on Plan Assets, Excluding Interest Income	(20.78)	(25.80)
Fair Value of Plan Assets at the End of the Period	**859.98**	**613.17**

Reconciliation of fair value of plan assets and defined benefit obligation:	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	(1,248.95)	(871.02)
Fair value of plan assets	859.98	613.17
Plan asset / (liability)	**(388.97)**	**(257.85)**

Expenses recognised in profit and loss	Year ended March 31, 2021	Year ended March 31, 2020
Net interest cost	17.58	10.20
Current service cost	99.68	72.49
Past service cost	-	-
Net expense *	**117.26**	**82.69**
* Includes INR 12.43 (March 31, 2020 - INR 8.50) transfer to Research & Development Expenditure		

Expenses recognised in other comprehensive income	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain) / loss on defined benefit obligation	250.93	144.43
Return on Plan Assets, excluding Interest Income	20.78	25.80
Total expense recognised in statement of other comprehensive income	**271.71**	**170.23**

Major categories of plan assets of the fair value of the total plan assets	As at March 31, 2021		As at March 31, 2020	
	Total	In %	Total	In %
Insurance fund	859.98	100%	613.17	100%
Total	**859.98**	**100%**	**613.17**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:	Year ended March 31, 2021	Year ended March 31, 2020
Defined benefit obligation (base)	1,248.95	871.02
Change in discount rate		
Increase by 1%	(77.70)	(76.38)
Decrease by 1%	88.82	90.13
Change in rate of salary increase		
Increase by 1%	83.92	89.95
Decrease by 1%	(76.15)	(77.44)
Change in rate of employee turnover		
Increase by 1%	(9.48)	12.23
Decrease by 1%	10.45	(14.20)

The following payments are expected contributions to the defined benefit plan in future years:	As at March 31, 2021	As at March 31, 2020
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	201.64	114.04
Between 1 and 5 years	409.72	187.06
Between 5 and 10 years	512.49	316.53
More than 10 years	1,050.49	1,381.62

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

(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.

21 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
Finished goods	134,251.07	127,142.77
Traded goods	6,959.97	7,873.30
Total	**141,211.04**	**135,016.07**
Other operating revenue		
Revenue from Job Work	36.46	60.37
Sale of scrap & others	88.49	82.83
Government Grants *	686.59	1,162.69
Total revenue from operations	**142,022.58**	**136,321.96**

* 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, 2021	Year ended March 31, 2020
Within India	134,731.76	128,601.55
Outside India	6,479.28	6,414.52
Total	**141,211.04**	**135,016.07**
Timing of revenue recognition		
Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
At a point in time		
Sale of finished goods	134,251.07	127,142.77
Sale of traded goods	6,959.97	7,873.30
Total	**141,211.04**	**135,016.07**

b) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contract	157,844.00	149,831.89
Adjustments for variable consideration:		
Discounts and rebates	(16,632.96)	(14,815.82)
Revenue from contracts with customers	**141,211.04**	**135,016.07**

c) Aggregate amount of the Transaction Price allocated to Performance Obligations that are unsatisfied at end of the year:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Advance from Customers* (refer note 47)	9,169.88	7,174.31
Revenue recognised from amounts included in advance from customers at beginning of the year	7,174.31	6,228.54

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, 2021, 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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

22 Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
Fixed deposits with banks	246.18	26.54
Other assets	5.00	115.76
Dividend income from equity investments designated at fair value through other comprehensive income*	9.62	10.16
Other non-operating income		
Miscellaneous income	54.51	39.69
Exchange difference (net)	435.61	-
Net gain on fair value changes		
Derivatives at FVTPL	21.86	64.40
Total other income	**772.78**	**256.55**

* 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, 2021	Year ended March 31, 2020
Raw Material		
Inventory at the beginning of the year	17,033.79	18,501.32
Add: Purchases	105,480.29	70,369.53
	122,514.08	88,870.85
Less: inventory at the end of the year	27,360.29	17,033.79
Cost of raw material consumed	**95,153.79**	**71,837.06**
Packing Material		
Inventory at the beginning of the year	1,521.91	1,376.58
Add: Purchases	9,687.66	7,392.15
	11,209.57	8,768.73
Less: inventory at the end of the year	1,845.54	1,521.91
Cost of Packing material consumed	**9,364.03**	**7,246.82**
Total Cost of raw material and components consumed	**104,517.82**	**79,083.88**

24 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Finished goods	27,809.01	25,216.93
Semi-finished goods	7,803.01	7,110.33
Traded goods	1,132.16	890.91
	36,744.18	**33,218.17**
Inventories at the beginning 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**
Total (Increase)/Decrease in inventories	**(3,526.01)**	**17,249.15**

Details of inventory	Year ended March 31, 2021	Year ended March 31, 2020
Traded goods		
Powder	693.87	168.58
Liquid	215.09	476.78
Granules	223.20	245.55
Total	**1,132.16**	**890.91**
Finished goods		
Liquid	15,240.89	18,711.02
Powder	4,450.59	2,289.46
Granules	3,499.63	1,467.86
Technicals	4,617.90	2,748.59
Total	**27,809.01**	**25,216.93**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

25 Employee benefit expenses

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus		6,792.39	6,831.28
Contribution to provident and other funds	20	388.03	392.71
Gratuity expense	20	104.83	74.19
Staff welfare expenses		365.41	176.05
Total employee benefit expenses		**7,650.66**	**7,474.23**

26 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	30.65	82.89
Interest on CC Limits, buyer's credit and demand loans	286.58	1,891.68
Interest on Lease Liabilities	42.54	54.31
Interest (Others)	32.26	27.30
Other borrowings costs		
Bank charges	273.08	332.80
Total finance costs	**665.11**	**2,388.98**

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	3	2,153.72	2,100.45
Depreciation of right-of-use assets	4	211.33	229.03
Amortization of intangible assets	5	102.13	77.72
Total depreciation and amortization expense		**2,467.18**	**2,407.20**

28 Other expenses

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares		865.98	764.85
Power and fuel Expenses		2,175.65	2,278.45
Transport charges		3,290.50	2,618.08
Repairs and Maintenance			
Buildings		5.52	3.96
Plant & Machinery		160.58	59.13
Others		282.85	247.94
Pollution Control Expenses		145.57	70.15
Advertising and sales promotion		525.22	577.01
Royalty		68.09	175.59
Commission		652.77	683.24
Travelling and conveyance		1,093.79	1,510.05
Rent	42	34.22	73.98
Insurance		276.12	118.84
Communication expenses		31.70	33.26
Printing and Stationery		21.44	25.88
Legal and Professional Fees		429.58	429.24
Director Sitting Fees	39	12.50	11.00
Payment to Auditors	28(a)	39.44	40.51
Electricity & Water Charges		67.10	55.90
Rates and taxes		19.38	60.33
Security Charges		111.21	98.71
Research & Development Expenses	29	618.67	892.74
Loss on Sale of Fixed Assets (net)		37.94	37.22
Corporate Social Responsibility Expenses	28(b)	309.13	190.10
Provision for impairment of trade receivables	35	348.99	225.64
Exchange difference (net)		-	493.49
Bad debts written off		47.06	6.34
Miscellaneous Expenses		680.54	546.43
Total other expenses		**12,351.54**	**12,328.06**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

28(a) Details of payment to auditors (excluding taxes)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Statutory Audit Fees	39.00	39.00
In other capacity		
Reimbursement of expenses	0.44	1.51
Total	**39.44**	**40.51**

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, 2021	Year ended March 31, 2020
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Group	262.47	235.38
Unspent of Previous Year spent during the Year	45.28	-
Total amount spent for the financial year	(309.13)	(190.10)
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	309.13	190.10
- yet to be paid in cash	-	-
Total	**309.13**	**190.10**

The entire amount is spent through the IIL foundation which is a related party (refer note 39), except INR 2 lacs, which was directly spent by Group for COVID-19 relief.

29 Research & Development Expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Chopanki :		
(i) Revenue Expenditure :		
(a) Employee cost	134.70	143.88
(b) Cost of material & testing charges	22.86	15.12
(c) Other R&D expenditure	10.76	6.79
(d) Consultancy charges to OAT & IIL	335.21	326.56
(ii) Capital Expenditure	41.02	24.50
Chopanki Total	**544.55**	**516.85**
Shamli :		
(i) Revenue Expenditure :		
(a) Employee cost	95.22	-
(b) Cost of material & testing charges	1.50	-
(c) Other R&D expenditure	2.26	-
(d) Consultancy charges to OAT & IIL	-	-
(ii) Capital Expenditure	10.49	-
Shamli Total	**109.47**	**-**
Total	**654.02**	**516.85**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	Year ended March 31, 2020
(a) Income tax expense		
Current tax		
Current tax on profits for the year	3,153.29	2,732.19
Adjustment of tax relating to earlier periods	(102.19)	(193.25)
Total current tax expense	**3,051.10**	**2,538.94**
Deferred tax		
Decrease (increase) in deferred tax assets	(565.07)	207.18
(Decrease) increase in deferred tax liabilities	74.10	(304.07)
Total deferred tax expense/(benefit)	**(490.97)**	**(96.89)**
Income tax expense	**2,560.13**	**2,442.05**
(b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory		

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	**11,903.43**	**11,046.11**
Tax at the Indian statutory income tax rate of 25.168% (March 31, 2020: 34.944%)*	2,995.86	3,859.95
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	(41.81)
Deduction on account of tax holiday period	-	(1,199.00)
Other non-deductible / (taxable) items	25.50	16.16
Effect of difference in tax rates used to calculate deferred tax on temporary differences*	(359.04)	-
Adjustments for current tax of earlier periods	(102.19)	(193.25)
Income tax expense	**2,560.13**	**2,442.05**

The Group has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the tax rate used for the current year reconciliation above are the corporate tax rates of 25.168% (March 31, 2020: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax laws. The reconciliation also includes the impact of tax holidays availed by the Group under the old regime.

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, 2021	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(203.33)	(203.33)
Gain/(loss) on FVTOCI financial assets	89.77	-	89.77
Share of other comprehensive income of joint venture	-	1.26	1.26
Total	**89.77**	**(202.07)**	**(112.30)**

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)**

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.

Notes to consolidated financial statements for the year ended March 31, 2021

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 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 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 52).

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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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, 2021		As at March 31, 2020	
	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 (USD)	213.77	15,795.66	25.56	1,919.37
In respect of import bills accepted (USD)	6.95	509.99	0.48	36.25
In respect of buyer's credit (USD)	-	-	1.46	109.59
	220.72	**16,305.65**	**27.50**	**2,065.21**
Forward contract - Sell				
In respect of trade receivables (USD)	18.76	1,400.20	20.99	1,529.92
	18.76	**1,400.20**	**20.99**	**1,529.92**
Unhedged foreign currency exposures				
a) Payables				
Buyer's credit (including interest) (USD)	-	-	-	-
Letters of credit (USD)	114.27	8,354.16	238.81	18,073.27
Import bills accepted (Trade payables) (USD)	0.96	70.19	0.77	58.12
	115.23	**8,424.35**	**239.58**	**18,131.39**
b) Receivables				
Trade receivables (USD)	9.23	675.02	18.68	1,413.16
Trade receivables (AED)	2.80	55.72	-	-
	12.03	**730.74**	**18.68**	**1,413.16**

34 Fair value measurements

		As at March 31, 2021			As at March 31, 2020		
(i) Financial instruments by category	Note	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Investments							
- Equity instruments	7(a)	-	362.00	-	-	244.97	-
Security deposits	7(b)	-	-	246.68	-	-	128.87
Deposits having maturity of more than twelve months	7(b)	-	-	33.77	-	-	31.95
b) Financial assets - Current							
Trade receivables	11(a)	-	-	25,458.71	-	-	31,978.73
Cash and cash equivalents	11(b)	-	-	646.36	-	-	6,773.13
Other bank balances	11(c)	-	-	7,682.94	-	-	642.97
Loans	11(d)	-	-	5.08	-	-	272.82
Derivative assets	11(e)	9.42			18.76	-	-
Dividend receivable	11(e)	-	-	8.15	-	-	8.61
Insurance claim recoverable	11(e)	-	-	81.96	-	-	80.95
Interst accrued on inter corporate loans	11(e)	-	-	-			65.05
Litigation charges recoverable	11(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	11(e)	-	-	114.55	-	-	126.02
Interest subsidy recoverable	11(e)	-	-	201.35	-	-	285.25
Total financial assets		**9.42**	**362.00**	**34,499.15**	**18.76**	**244.97**	**40,413.95**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

		As at March 31, 2021			As at March 31, 2020		
(i) Financial instruments by category	**Note**	**FVTPL**	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
c) Financial liabilities - Non-current							
Borrowings	15(a)	-	-	239.63	-	-	190.53
d) Financial liabilities - Current							
Borrowings	18(a)	-	-	9,160.85	-	-	18,348.22
Trade payables	18(b)	-	-	36,203.49	-	-	24,655.78
Current maturities of long-term borrowings	18(c)	-	-	226.90	-	-	203.72
Security deposits received from customers	18(c)	-	-	714.67	-	-	725.41
Creditors for capital expenditure	18(c)	-	-	370.36	-	-	466.85
Interest accrued on borrowings	18(c)	-	-	9.25	-	-	19.67
Employee payables	18(c)	-	-	1,259.77	-	-	1,418.36
Unpaid dividend account	18(c)	-	-	5.25	-	-	4.57
Derivative liabilities	18(c)	41.38	-	-	72.58	-	-
Total financial liabilities		**41.38**	**-**	**48,190.17**	**72.58**	**-**	**46,033.11**

(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 Group 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, 2021			As at March 31, 2020		
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*	362.00	-	-	244.97	-	-
Financial assets at FVTPL						
-Derivative assets	-	9.42	-	-	18.76	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	41.38	-	-	72.58	-

*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, 2021			March 31, 2020		
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	-	-	246.68	-	-	128.87
Deposits having maturity of more than twelve months	-	33.77	-	-	31.95	-
Financial liabilities						
Long term borrowings (including current maturities)	-	466.53	-	-	394.25	-
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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

(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, 2021		March 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	7(b)	246.68	246.68	128.87	128.87
-Deposits having maturity of more than twelve months*	7(b)	33.77	33.77	31.95	31.95
Financial liabilities					
- Long term borrowings (including current maturities)	15(a)	466.53	466.53	394.25	394.25

*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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021 and March 31, 2020 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, 2021

(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	5.08	0%	-	5.08
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	246.68	0%	-	246.68

(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	16,706.88	7,029.81	875.78	408.42	987.27	551.92	**26,560.08**
Expected loss rate	0.11%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	16.95	14.06	4.38	20.42	493.64	551.92	**1,101.37**
Carrying amount of trade receivables (net of impairment)	**16,689.93**	**7,015.75**	**871.40**	**388.00**	**493.63**	**-**	**25,458.71**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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**
Reconciliation of loss allowance provision - trade receivables							
Loss allowance on March 31, 2019							**526.74**
Changes in loss allowance							225.64
Loss allowance on March 31, 2020							**752.38**
Changes in loss allowance							348.99
Loss allowance on March 31, 2021							**1,101.37**

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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	As at March 31, 2020
Floating rate		
Short term borrowings	**29,385.43**	**26,195.97**

(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, 2021	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	226.90	239.63	-	**466.53**
Lease liabilities	15(b)	196.88	284.32	-	**481.20**
Short term borrowings	18(a)	9,160.85	-	-	**9,160.85**
Trade payables	18(b)	36,203.49	-	-	**36,203.49**
Security deposits received from customers	18(c)	714.67	-	-	**714.67**
Creditors for capital expenditure	18(c)	370.36	-	-	**370.36**
Interest accrued on borrowings	18(c)	9.25	-	-	**9.25**
Employee payables	18(c)	1,259.77	-	-	**1,259.77**
Unpaid dividend account	18(c)	5.25	-	-	**5.25**
Derivative liabilities	18(c)	41.38	-	-	**41.38**
Total		**48,188.80**	**523.95**	**-**	**48,712.75**

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**

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, 2021 and March 31, 2020 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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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.

	Impact on profit before tax	
Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
USD sensitivity		
INR/USD - increase by 1% (March 31, 2020: 1%)	(77.49)	(167.18)
INR/USD - decrease by 1% (March 31, 2020: 1%)	77.49	167.18
AED sensitivity		
INR/AED - increase by 1% (March 31, 2020: Nil)	0.56	-
INR/AED - decrease by 1% (March 31, 2020: Nil)	(0.56)	-
	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, 2021**	**Year ended March 31, 2020**
INR/JPY - increase by 5% (March 31, 2020: 5%)	18.10	12.25
INR/JPY - decrease by 5% (March 31, 2020: 5%)	(18.10)	(12.25)

(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, 2021, 100% (March 31, 2020, 99.93%) of the Group's total borrowings are at a fixed rate of interest. As on March 31, 2021, the Group's borrowings were mainly denominated in INR. If borrowings carry floating rate of interest, the Group 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, 2021	As at March 31, 2020
Fixed rate borrowings		
Long term borrowings (including current maturities)	466.53	381.90
Short term borrowings	9,160.85	18,348.22
Variable rate borrowings		
Long term borrowings (including current maturities)	-	12.35
Total borrowings	**9,627.38**	**18,742.47**

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, 2021			As at March 31, 2020		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	-	-	-	8.50%-9.00%	12.35	0.07%
Net exposure to cash flow interest rate risk		**-**	**-**		**12.35**	**0.07%**

(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 36.20(March 31, 2020: INR 24.50).

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

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.

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Total debt	15(a),18(a),18(c)	9,627.38	18,742.47
(Less): Cash and cash equivalents	11(b)	(646.36)	(6,773.13)
Net debt		**8,981.02**	**11,969.34**
Total capital	13,14	82,037.51	73,172.86
Capital and net debt		**91,018.53**	**85,142.20**
Gearing ratio		**10%**	**14%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 & March 31, 2020

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, 2021	Year ended March 31, 2020
(I) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2020 : Nil (March 31, 2019 : INR 2) per fully paid share	-	413.35
Dividend distrubution tax (DDT) on final dividend	-	84.99
Interim dividend for the year ended March 31, 2021 of INR 2 (March 31, 2020: INR 4) per fully paid share	413.36	826.70
Dividend distrubution tax (DDT) on interim dividend	-	169.93

37 Interests in other entities

a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2021. 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, 2021	As at March 31, 2020
OAT & IIL India Laboratories Private Limited	India	20%	Joint venture	Audited	Equity method	992.75	944.48

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, 2021	As at March 31, 2020
Share of commitments in respect of:		
Capital commitments in respect of Property, plant and equipment	0.00	0.03
Unpaid preference dividend	0.00	0.00

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	As at March 31, 2020
Current assets		
Cash and cash equivalents	612.52	1,373.73
Other assets	2,424.44	1,889.27
Total current assets	**3,036.96**	**3,263.00**
Total non-current assets	2,538.82	2,962.60
Total assets	**5,575.78**	**6,225.60**
Current liabilities		
Financial liabilities (excluding trade payables)	5.02	55.56
Other liabilities	409.19	1,275.33
Total current liabilities	**414.21**	**1,330.89**
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	197.81	172.30
Total non-current liabilities	**197.81**	**172.30**
Net assets	**4,963.76**	**4,722.41**
Reconciliation to carrying amounts	**As at March 31, 2021**	**As at March 31, 2020**
Opening net assets	4,722.41	4,303.16
Profit for the year	235.02	436.23
Other comprehensive income	6.33	(16.98)
Closing net assets	**4,963.76**	**4,722.41**
Group's share in %	20%	20%
Carrying amount	**992.75**	**944.48**
Summarised Statement of Profit and Loss	**As at March 31, 2021**	**As at March 31, 2020**
Revenue from operations	2,178.88	2,860.47
Interest income	92.99	91.68
Other income	0.88	1.52
Total revenue	**2,272.75**	**2,953.67**
Expenses		
Cost of materials consumed	614.06	1,168.27
Changes in inventories of finished goods	(70.56)	(224.33)
Employee benefit expenses	616.31	623.87
Finance costs	1.22	1.81
Depreciation & amortisation expenses	189.46	200.16
Other expenses	590.00	585.51
Total expenses	**1,940.49**	**2,355.29**
Profit before tax	**332.26**	**598.38**
Tax expense	97.24	162.15
Profit after tax	**235.02**	**436.23**
Other comprehensive income	6.33	(16.98)
Total comprehensive income	**241.35**	**419.25**

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	Year ended March 31, 2020
Within India	134,731.76	128,601.55
Outside India	6,479.28	6,414.52
Total revenue	**141,211.04**	**135,016.07**

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. Virjesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Sh. Vinod Kumar Mittal (resigend w.e.f December 21, 2020)
5. Smt. Praveen Gupta

d) Relatives of KMPs

1. Sh. Sanjeev Aggarwal
2. Smt. Sonia Aggarwal
3. Smt. Anju Aggarwal
4. Smt. Pushpa Aggarwal
5. Miss Kritika Aggarwal
6. Sh. Sanskar 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. Vinod Metals Industries
3. Crystal Crop Protection Pvt. Ltd.
4. HPM Chemicals & Fertilizers Ltd.
5. Crop Care Federation of India
6. IIL foundation
7. Indogulf Cropsciences Limited

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Advertisement expense	**-**	**0.30**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	-	0.30				-		-				
Consultancy expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10.88**	**10.96**	**-**	**-**
Smt. Sonia Aggarwal									10.88	10.96		
Deputation fee income	**-**	**-**	**30.23**	**38.39**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			30.23	38.39								
Membership & Subscription expense	**11.80**	**11.80**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	11.80	11.80										
Purchase of Capital & Consumabable Goods	**194.51**	**165.36**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Vinod Metal Industries	194.51	165.36										
Sales of Finished Goods	**364.05**	**3,747.49**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	2.86	2,910.56										
HPM Chemical & Fertilizers Limited	-	390.50										
Indogulf Cropsciences Limited	361.19	446.43										
Purchases of Traded Goods	**-**	**1.87**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPM Chemical & Fertilizers Limited	-	1.87										
Purchases of Raw Material	**4,732.37**	**4,914.47**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	4,732.37	4,112.57										
Indogulf Cropsciences Limited	-	801.90										
Other Expenses	**-**	**17.70**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	-	17.70		-								
R & D Expenses	**-**	**-**	**395.54**	**385.34**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			395.54	385.34								
Rent paid	**33.42**	**65.63**	**-**	**-**	**-**	**-**	**-**	**-**	**2.64**	**2.64**	**-**	**-**
ISEC Organics Ltd	33.42	65.63				-		-	-	-		
Smt. Pushpa Aggarwal	-	-				-		-	2.64	2.64		
Purchase of Property, Plant & Equipment	**-**	**777.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ISEC Organics Ltd	-	777.60										
Revenue from Job Work	**-**	**-**	**23.72**	**46.05**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			23.72	46.05								

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2030
Remuneration paid *	**-**	**-**	**-**	**-**	**828.76**	**901.08**	**42.45**	**42.80**	**49.85**	**46.57**	**-**	**-**
Sh. Hari Chand Aggarwal					395.58	431.77						
Sh. Rajesh Aggarwal					389.99	425.83						
Smt. Nikunj Aggarwal					43.19	43.48						
Sh. Sandeep Aggarwal							32.39	32.66				
Sh. Sandeep Kumar							10.06	10.14				
Sh. Sanjeev Aggarwal									20.78	20.96		
Smt. Anju Aggarwal									12.68	12.79		
Miss Kritika Aggarwal									12.71	12.82		
Sh. Sanskar Aggarwal									3.68	-		
Contribution to CSR	**307.13**	**190.10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	307.13	190.10										
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12.50**	**11.00**
Sh. Vinod Kumar Mittal											1.50	2.50
Sh. Jayaraman Swaminathan											3.50	3.50
Smt. Praveen Gupta											2.50	0.50
Sh. Navin Shah											2.50	2.00
Sh. Vrijesh Kumar Gupta											2.50	2.50

* Excluding post employment benefits

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Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Remuneration payable	**-**		**-**		**11.44**	**111.28**	**2.86**	**3.16**	**3.45**	**4.00**	**-**	**-**
Sh. Rajesh Aggarwal					4.51	3.51	-	-	-	-		
Smt. Nikunj Aggarwal					2.19	2.44	-	-	-	-		
Sh. Sandeep Aggarwal					-	-	1.76	1.87	-	-		
Sh. Sandeep Kumar					-	-	1.10	1.29	-	-		
Sh. Sanjeev Aggarwal					-	-	-	-	1.30	1.70		
Smt. Anju Aggarwal					-	-	-	-	0.89	0.89		
Miss Kritika Aggarwal					-	-	-	-	0.79	1.41		
Sh. Sanskar Aggarwal					-	-	-	-	0.47	-		
Trade Payables	**357.21**	**169.14**	**-**	**-**			**-**	**-**	**0.86**	**3.22**	**2.03**	**-**
Vinod Metal Industries	105.76	61.46							-	-	-	-
Crystal Crop Protection Ltd	251.45	-							-	-	-	-
Isec Organics Ltd.	-	89.84							-	-	-	-
Crop Care Federation of India	-	17.84							-	-	-	-
Smt. Sonia Aggarwal	-	-							0.86	0.84	-	-
Smt. Pushpa Aggarwal	-	-							-	2.38	-	-
Smt. Praveen Gupta	-	-							-	-	0.46	-
Sh. Jayaraman Swaminathan	-	-							-	-	0.65	-
Sh. Navin Shah	-	-							-	-	0.46	-
Sh. Vrijesh Kumar Gupta	-	-							-	-	0.46	-
Trade Receivables	**200.49**	**53.60**	**6.92**	**18.12**			**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Ltd	2.86	-	-	-								
Indogulf Cropsciences Ltd	197.63	53.60	-	-								
OAT & IIL India Laboratories Pvt. Ltd.	-	-	6.92	18.12								
Advances given	**-**	**625.57**	**-**	**4.97**			**-**	**-**	**-**	**-**	**-**	**0.24**
Crystal Crop Protection Ltd	-	625.57	-	-							-	-
OAT & IIL India Laboratories Pvt. Ltd.	-	-	-	4.97							-	-
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, 2021	Year ended March 31, 2020
Short-term employee benefits	871.21	943.88
Post-employment benefits	26.41	21.83
Long-term employee benefits	-	-
Total	**897.62**	**965.71**

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.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

40 Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Group not acknowledged as debt		
a) Bank Guarantee	265.68	104.50
b) Excise Matter with Appellate Authority	429.51	429.51
c) Sales Tax / GST Matters	501.03	397.57
d) Revenue Department	89.60	89.60
Total	**1,285.82**	**1,021.18**

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 of the Group. Therefore, the probability of outflow of resources is remote.

41 Commitments

Commitments with respect to:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	994.88	89.88
Other commitments		
Letter of Credits (FLC & ILC)	7,509.64	8,232.72
	8,504.52	**8,322.60**

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, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets (Refer Note 27)	211.33	229.03
Interest expense on lease liabilities (Refer Note 26)	42.54	54.31
Expense relating to short-term leases (included in rent) (Refer Note 28)	34.22	73.98
(Gain)/loss on termination of leases (included in miscellaneous income) (Refer Note 22)	(0.81)	(5.59)
Total	**287.28**	**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, 2021	Year ended March 31, 2020
Profit for the year	9,390.30	8,691.31
Weighted average number of shares (Face value Rs 10/- each)	20,667,796	20,667,796
(a) Basic earnings per share (INR)	45.43	42.05
(b) Diluted earnings per share (INR)*	45.43	42.05

*There are no dilutive potential equity shares.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	As at March 31, 2020
Current			
Financial assets			
First charge			
Trade receivables	11(a)	25,458.71	31,978.73
Loans	11(d)	5.08	272.82
Other financial assets	11(e)	435.03	604.24
		25,898.82	**32,855.79**
Non-financial assets			
Inventories	10	66,087.25	51,926.48
Other current assets	12	1,313.44	1,407.22
Total current assets pledged as security		**93,299.51**	**86,189.49**
Non-Current			
Financial assets			
First charge			
Security deposits	7(b)	246.68	128.87
Non-financial assets			
Property, plant and equipment	3	20,853.52	20,893.13
Capital work-in-progress	3	5,187.22	3,288.41
Other non-current assets	9	1,151.69	682.22
Total non-currents assets pledged as security		**27,439.11**	**24,992.63**
Total assets pledged as security		**120,738.62**	**111,182.12**

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 furnished as per section 22 of the Micro, small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 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 :

		As at March 31, 2021	As at March 31, 2020
I	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	-	274.45
	Interest	-	0.48
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 2020-21	276.43	63.60
	Interest Paid during FY 2020-21	-	-
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
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.		
	Accounting year ended 31st March 2021	-	-
	Accounting year ended 31st March 2020*	-	2.46
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.	-	

* The interest has been reversed since the same was not required to be paid as per the agreement/PO

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ 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, 2021	As at March 31, 2020
Trade Receivables (refer note 11(a))	25,458.71	31,978.73
Total trade receivables	**25,458.71**	**31,978.73**
Advance from customers (contract liabilities) (refer note 19 & 21)	9,169.88	7,174.31
Total advance from customers (contract liabilities)	**9,169.88**	**7,174.31**

-

48 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 7828.87 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.

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, 2021	Maximum Amount Outstanding during the year ended March 31, 2021	Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	-	320.84	320.84	445.16
- Mentor Financial Services Pvt. Ltd (for Business purpose)	-	9.21	9.21	842.52

Note: Advances to employee as per Group's policy are not considered.

50 Exceptional item represents a one-time expense on account of fraud committed by two employees of the Group in collusion with 16 dealers and distributors of the Group. The said dealers and distributors had sold the goods in cash at reduced price to different customers. However, the invoices were raised in the name of Group's authorised debtors. The Group has filed FIR on July 04, 2020 in P.S. Janjgir District, Janjgir-Champa, Chhattisgarh. After internal investigation in the matter, the Group has recognized bad debts amounting to INR 970.15. The Group is of the view that there is no significant impact of aforesaid fraud on the general business conditions, financial position, profit & loss and liquidity position, except for the amounts already recognized.

51 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations

(i) Amendments to Ind AS 116: *Covid-19-Related Rent Concessions*

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the April 1, 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the April 1, 2019. This amendment had no impact on the financial statements of the Group.

Notes to consolidated financial statements for the year ended March 31, 2021

(ii) Amendments to Ind AS 103 *Business Combinations*

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the April 1, 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Group but may impact future periods should the Group enter into any business combinations.

(iii) Amendments to Ind AS 1 and Ind AS 8: *Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Group.

(iv) Amendments to Ind AS 107 and Ind AS 109: *Interest Rate Benchmark Reform*

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the April 1, 2020. These amendments did not have any impact on the Group's financial statements.

(b) Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2021 to amend Ind AS. The rules shall come into force on the date of their publication in the Official Gazette i.e June 18, 2021.

(i) Amendments to Ind AS 116:

Leases

The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from June 30, 2021 to June 30, 2022. The Group is in the process of evaluating the impact of the amendments on its financial statements.

(ii) Amendments to Ind AS 109 *Financial Instruments*

The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform. The Group is in the process of evaluating the impact of the amendments on its financial statements but does not expect the amendments to have an impact on the financial statements.

(iii) Other amendments

The other amendments to Ind AS are in terms of insertion of certain paragraphs, substituting the definition of certain terms used in the standard along with aligning the text of Standards with the Conceptual Framework of Financial reporting under Ind AS. The Group is in the process of evaluating the impact of the amendments on its financial statements but does not expect the amendments to have an impact on the financial statements.

52 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, has used internal and external sources of information. Based on the Group assessment, no material impact has been noted. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have bearing on the Group's operations.

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in 'Lacs', unless mentioned otherwise)

53 Statutory Group Information

As at March 31, 2021

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	81,839.76	99.76%	9,343.30	99.50%	(113.56)	101.12%	9,229.74	99.48%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	197.75	0.24%	47.00	0.50%	1.26	-1.12%	48.26	0.52%
Total equity	**82,037.51**		**9,390.30**		**(112.30)**		**9,278.00**	

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**	

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 18, 2021

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 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting ("AGM") of the members of **INSECTICIDES (INDIA) LIMITED** will be held on Thursday, September 09, 2021 at 03.00 p.m IST through Video Conferencing ("VC") 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, 2021 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. 2/- (Two 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, 2021

Item no. 3 – Appointment of Mrs. Nikuj Aggarwal as a director liable to retire by rotation

To appoint a Director in place of Mrs. Nikunj Aggarwal (DIN: 06569091) who retires by rotation and, being eligible, seeks re-appointment.

Explanation: Based on the terms of appointment, executive directors are subject to retirement by rotation. Mrs. Nikunj Aggarwal, who was appointed for the present term on May 02, 2018 for the period of five years and whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends her reappointment.

Therefore, members are requested to consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Nikunj Aggarwal (DIN: 06569091), who retires by rotation, be and is hereby reappointed as a director of the Company"

Special Business:

Item no. 4 – Ratification of age of appointment of Mr. Virjesh Kumar Gupta

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 continuation of Mr. Virjesh Kumar Gupta (DIN: 06382540) as Independent Director of the Company who will attain the age of seventy-five years"

Item no. 5 – Ratification of remuneration of Cost Auditors for the financial year, 2022

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, 2022, be and is hereby ratified."

By Order of the Board of Directors
For Insecticides (India) Limited

Sd/-
Sandeep Kumar
Company Secretary
Delhi, June 18, 2021

Insecticides (India) Limited
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi-110033
investor@insecticidesindia.com
www.insecticidesindia.com

Notes:

1. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are permitted to hold of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the relevant MCA Circulars, the AGM of the Company would be conducted through VC/OAVM and the deemed venue for the AGM shall be the Registered Office of the Company.

2. 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 24th 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

3. The relevant details, pursuant to Regulation 36(3) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 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 24th AGM and hence the Proxy Form, Attendance Slip and Route map are not annexed to this Notice.**

5. Members attending the AGM through VC 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. 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 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 investor@insecticidesindia.com and upload on relevant section at www.evotingindia.com

8. 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, including Financial statements, Directors' Report, is being sent only through electronic mode to those Members whose e-mail 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.

9. 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").

10. **To support the 'Green Initiative', Members who have not yet registered their e-mail 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.**

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-

mail 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.

12. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 09, 2021. Members seeking to inspect such documents can send an e-mail at investor@insecticidesindia.com.

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 02, 2021 through e-mail 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 divided or shares to IEPF is available on the website of the company at https://www.insecticidesindia.com/wp-content/uploads/2021/07/LOS_2021.pdf 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, Mrs. Nikunj Aggarwal, Whole-time Director of the Company, retire by rotation at this Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend her re-appointment. The details of Mrs. Nikunj 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. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at the 24th AGM being held through VC.

Instructions for e-voting and joining the AGM are as follows:

A. Voting through electronics means

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

II. The Members can join the AGM in the VC mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

III. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

IV In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company @ www.insecticidesindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

V. The AGM has been convened through VC in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

VI. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC and cast their votes through e-voting.

VII. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. **Thursday, September 02, 2021**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only

VIII. 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 @ 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.

IX. Pursuant to the Income-tax Act, 1961, as amended, dividend income is taxable in the hands of the Members with effect from 1st April, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates.

X. Members who hold shares in the physical form or who have not registered their e-mail addresses with the Company or with the Depositories and wish to receive the AGM Notice and the Report and Accounts 2021, or participate in the AGM, or cast their votes through remote e-voting or e-voting during the meeting, are required to register their e-mail addresses on the Company's corporate website under the section 'Investor's desk'. Alternatively, Members may send a letter requesting for registration of their e-mail addresses, mentioning their name and DP ID & Client ID / folio number, by post to the registered office of the company or scanned copy thereof through e-mail at investor@insecticidesindia.com.

XI. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail to the Company at investor@insecticidesindia.com from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by September 02, 2021 will be able to speak at the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.

XII **The e-voting period commences on Monday, September 06, 2021 (09:00 a.m. IST) and ends on Wednesday, September 08, 2021 (05:00 p.m. IST) (both days inclusive).** During this period, members may cast their vote electronically. The e-voting module shall be disable by CDSL thereafter. A vote once cast on the resolution, would not be allowed to be changed subsequently.

As the AGM held only through VC/OAVM, the voting during the AGM is same as the procedure for remote e-voting. The facility for e-voting during AGM only available to those members, present at the AGM through VC/OAVM facility and who would not have cast their vote on the resolutions set forth in the Notice of AGM by remote e-voting prior to the AGM and are otherwise not barred from doing so shall be eligible to vote through e-voting system at the AGM on such resolutions. Members who have voted through remote e-voting will be eligible to attend the AGM and their presence shall be counted for the purpose of quorum, however such shareholders shall not be entitled to cast their vote again at the AGM on such resolution(s) for which the Shareholder has already cast the vote through remote e-voting.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) 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.
4) Next enter the Image Verification as displayed and Click on Login.

5) 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.

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

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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.

(I) After entering these details appropriately, click on "SUBMIT" tab.

(ii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(v) 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.

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

(vii) 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.

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

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

(x) 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.

(xi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- 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 if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 at least 7 days prior to meeting mentioning their name, demat account number/ folio number, email 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 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number @ investor@insecticidesindia.com. These queries will be replied to by the company suitably by e-mail.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
10. 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.
11. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. 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.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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 CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
3. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 , Maharashtra 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.insecticidesindia.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 18, 2021

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. Virjesh Kumar Gupta

Mr. Virjesh Kumar Gupta, currently aged 74 Years, he was re-appointed as an Independent Director for the second term of 5 (Five) years with effect from May 31, 2019 up to May 30, 2024 in the meeting of members held on August 02, 2019. According to the Companies Act, 2013 read with applicable Rules and Regulations of an Independent Directors

The Board recommends ratification of his age, and continuation as an Independent Director beyond the age of 75 years till the date of his current appointment by passing special resolution as set out at item no. 4 of the notice.

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

Except Mr. Virjesh Kumar Mittal, being the 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, 2022.

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.4,83,000/- (Rupees Four Lakh Eighty three Thousand Only) (excluding out of pocket expenses and applicable taxes) payable to the Cost Auditor for Financial year ending March 31, 2022 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.

Annexure to the Notice dated June 18, 2021

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	Mrs. Nikunj Aggarwal	Mr. Virjesh Kumar Gupta
Directors Identification Number (DIN)	06569091	06382540
Date of Birth (Age in Years)	January 01, 1973 (48 Years)	April 07, 1947 (74 Years)
Original Date of Appointment	May 02, 2013	May 31, 2019
Qualification	Graduate	B.Com (Hons.)
Experience, brief resume and expertise in specific functional area	More than 15 Years of Experience in Administration in Agro Chemical Industry. Please refer Company's website: www.inceticidesindia.com for detailed profile.	More than 4 decade of Experience in Business Management and Operations. Please refer Company's website: www.inceticidesindia.com for detailed profile.
Remuneration last drawn	As mentioned in Corporate Governance Report	
Number of meeting of Board attended during the year (2020-2021)	05	05
Shareholding in Insecticides (India) Limited	31,25,000/- (15.12%) Equity Shares	Nil
Relationship with other Directors / KMPs	Spouse of Mr. Rajesh Aggarwal, Managing Director and Daughter-in-law of Mr. Hari Chand Aggarwal, Chairman & WTD and not related to any other Director / Key Managerial Personnel	None
Directorships of other Boards as on March 31, 2021	Insecticides (India) Limited	Insecticides (India) Limited
Membership /Chairmanship of committees of other Boards as on March 31, 2021	Nil	Nil

N O T E S

हमारी फसल संतान हमारी

इनकी सुरक्षा हमारी ज़िम्मेदारी

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