insecticides
(INDIA) LIMITED

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PERSEVERANCE. RESILIENCE. INNOVATION.

Preparing for a sustainable tomorrow.

Annual Report 2022-23

WHAT'S INSIDE...

1-54 Corporate overview

55-147 Statutory Reports

Message from the Chairman

In Conversation with the Managing Director

Our commitment to ESG practices

148-304 Financial Section

The online version of Insecticides (India) Limited Annual Report 2022-23 is available on our corporate website under the:

www.insecticidesindia.com

Reporting period and scope

This report covers financial and nonfinancial information and activities of Insecticides (India) Limited ('the Company' or 'IIL') during the period April 1, 2022, to March 31, 2023.

Materiality

We cover key material aspects that have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points set by the key management personnel.

Responsiveness

Our reporting addresses a gamut of stakeholders, each having their own needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations by accounting and responding to stakeholder concerns.

Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

CORPORATE INFORMATION

Board of Directors

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

Rajesh Kumar Aggarwal
Managing Director (DIN:00576872)

Nikunj Aggarwal
Whole-time Director (DIN:06569091)

Anil Kumar Goyal*
Whole Time Director (DIN: 09707818)

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)

Anil Kumar Bhatia*
Independent Director (DIN: 09707921)

*appointed w.e.f August 20,2022

Executive Officers

Sandeep Kumar Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary & Chief Compliance Officer

Company's Registered & Corporate Office

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

Registrar & Transfer Agent

Alankit Assignments Ltd. Reg. Off:
205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110055

Corporate Office:
Alankit House, 4E/2 Jhandewalan Extension, New Delhi-110055

Board Committees

Audit Committee

Praveen Gupta, Chairperson
Virjesh Kumar Gupta
S. Jayaraman

Corporate Social Responsibility Committee

Hari Chand Aggarwal, Chairperson
Rajesh Kumar 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

Risk Management Committee

Rajesh Kumar Aggarwal, Chairperson
S. Jayaraman
Praveen Gupta

Finance Committee

Hari Chand Aggarwal, Chairperson
Rajesh Kumar Aggarwal
Nikunj Aggarwal
Sandeep Kumar 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

ICICI Bank Ltd.
Citi Bank N.A.
HDFC Bank Ltd.
HSBC Ltd.

Plant Locations

A. Rajasthan

i. E – 442-443-444, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)

ii. E-439-440, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)

B. Jammu and Kashmir

i. SIDCO Industrial Growth Centre, Samba – 184 121 (J&K)

ii. II D Centre, BattalBallian, Udhampur – 182 101 (J&K)

C. Gujarat

i. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch –392 130 (Gujarat)

ii. Plot No. Z/50, Dahej Industrial Area, SEZ Part-1, Dahej, Tal. Vagra, Dist, Bharuch, 392130 (Gujarat)

In a world characterised by perpetual change and uncertainty, there exists a profound significance in our ability to seize and capitalise on opportunities that arise.

PERSEVERANCE, RESILIENCE, AND INNOVATION

are the bedrock upon which we have constructed our enduring presence.

These qualities have consistently illuminated our path, guiding us through trials, empowering us to surmount challenges, and **paving the way towards a brighter future.** As we gather here to contemplate the journey and achievements of the past year, we wholeheartedly embrace these principles. We have confronted countless obstacles, braved tempests, and taken audacious strides to ensure an enhanced future for all those invested in our endeavours.

This year's annual report theme encapsulates our unyielding commitment to preparing for a sustainable tomorrow. We are acutely aware of the pressing global issues – climate change, dwindling resources, and escalating food demands. Our dedication is unwavering, and we are resolute in our resolve to tackle these challenges head-on. **Through the tenacity of perseverance, the fortitude of resilience, and the dynamism of innovation, we are shaping an environmentally responsible, socially inclusive, and economically robust future.**

This unflagging allegiance to our collective vision has propelled our progress and translated aspirations into concrete achievements. Together, we are constructing a sustainable tomorrow that will withstand the test of time and bequeath a positive legacy for generations yet to come.

It's the relentless commitment to seizing opportunities, regardless of the obstacles that may arise.

PERSEVERANCE

We faced hurdles that could have quickly halted our progress during our journey.

However, we stayed resolute in our mission, always focusing on progress and the profound goal of turning challenges into golden opportunities.

Our steadfast devotion and persistence have allowed us to navigate through tumultuous times and uncover fresh avenues for growth, remaining faithful to our pledge to promote sustainable development.

Since our inception, our manufacturing capabilities have multiplied manifold.

Our manufacturing capabilities

30,900 KLPA
Liquid

80,750 MTPA
Granules

24,770 MTPA
Powder

15,800 MTPA
Active Ingredient and Bulk

Torry, a maize herbicide whose technical and formulation has been done by IIL in India.

Embracing emerging opportunities requires the ability to rebound from adversity, to flex and flourish amidst evolving circumstances.

RESILIENCE

Despite our resilience being tested in unparalleled ways, we have navigated extraordinary disruptions, dynamic terrains, and unforeseen obstacles.

Yet, we haven't just endured – we've excelled.

We've channelled our collective strength, resilience, and unwavering resolve to conquer these hurdles. We've effectively turned setbacks into catalysts for our progress, propelling our growth and moulding a more robust organisation.

Our resilience is evidenced by the increasing roster of in-house innovations and a growing community of farmers.

insecticides (INDIA) LIMITED

These achievements underscore our commitment to seizing and maximising emerging opportunities.

Our resilience story…

21,00,000 +
Our growing farmer reach

2
Technical synthesis plants

6
Formulation plants

1*
Biological Plant
*under toll arrangement

Hachiman stands as a remarkable creation, evoking an overwhelming response from the farming community. Hachiman has been developed by IIL's R&D team in technical collaboration with Nissan Chemical Corporation, Japan.

Being the early bird that catches the worm has been our guiding principle, the cornerstone of our progress, and the gateway to exploring new horizons.

INNOVATION

Innovation is the driving force behind our ability to challenge the norm, disrupt conventional thinking, and pave novel avenues forward.

In today's ever-evolving landscape, we've wholeheartedly embraced innovation as the linchpin of our approach.

From groundbreaking product developments to unwavering support for our nation's farmers seeking affordable solutions for their prosperity, we have consistently pushed boundaries, embraced change, and ignited transformative solutions.

Our unwavering dedication to innovation has given us the power to address intricate issues from fresh perspectives, ensuring a sustainable future.

The proof of our innovation prowess is aptly reflected in the increasing number of patents filed by IIL, demonstrating our commitment to staying ahead of the curve.

21
Number of patent granted*

18
Number of patents awaiting grant*

21+
Technical products

105+
Formulation products

4
State-of-the-art Research & Development centers

An innovative product launched in technical collaboration with Nissan Chemical Corporation, Japan.

** As of August 10, 2023*

Insecticides (India) Limited
AT A GLANCE

Insecticides (India) Limited (IIL) is one of India's leading crop protection and nutrition companies.

Engaged in the principal businesses of manufacturing and marketing of crop protection & nutrition products.

Addressing the ever growing needs of the Indian farmer community and the world.

Respected for being a responsible corporate citizen.

Background

Insecticides (India) Limited is one of India's fastest growing agrochemicals crop protection and nutrition companies. The Company is led by Mr. H. C. Aggarwal and Mr. Rajesh Kumar Aggarwal along with a team of seasoned professionals.

More than two decades, IIL has been serving the needs of the farmer community as well as helping bring the latest technology products within the reach of even the small and marginal farmers.

IIL is a provider of the complete solution for crop protection and nutrition, operating in the India as well as the global markets. As an emerging player, our aim is to make the most of every opportunity to positively impact the world around us. The investments we make in our products, our processes and in other business activities are critical for the growth of our business and our farming community.

Presently, we stand as one of the esteemed manufacturers of crop protection & nutrition products encompassing four distinct product categories: insecticides, herbicides, fungicides, biologicals & plant growth regulators (PGRs). Our array of branded generics and proprietary offerings serves as a testament to our unwavering dedication in shaping a prosperous future for all. Since our establishment, our unwavering priority has been to address the ever-changing requirements of our valued farming community, while simultaneously propelling our nation's advancement through ingenious strategies and steadfast commitments.

Our Vision

To be every farmer's first choice for sustainable agriculture.

Our Mission

Empower farmers with effective world-class products and services that are affordable and accessible.

Our purpose

Visioneering a bright tomorrow

At IIL, we firmly hold the belief that our sustainability hinges upon nurturing sustainable growth for our primary stakeholders: the Farmer Community, our People, and our Planet.

A vision of a better and healthier world. With technology, we accelerate the development of affordable crop protection products and help in the economic prosperity of the farmer community.

TO
touch people's hearts and minds.

TO
work better together.

TO
transform the quality of life.

TO
add value to agriculture

IIL has grown its presence successfully to feature in the list of Fortune Next 500 companies in India.

KNOWING
Insecticides (India) Limited

Our business

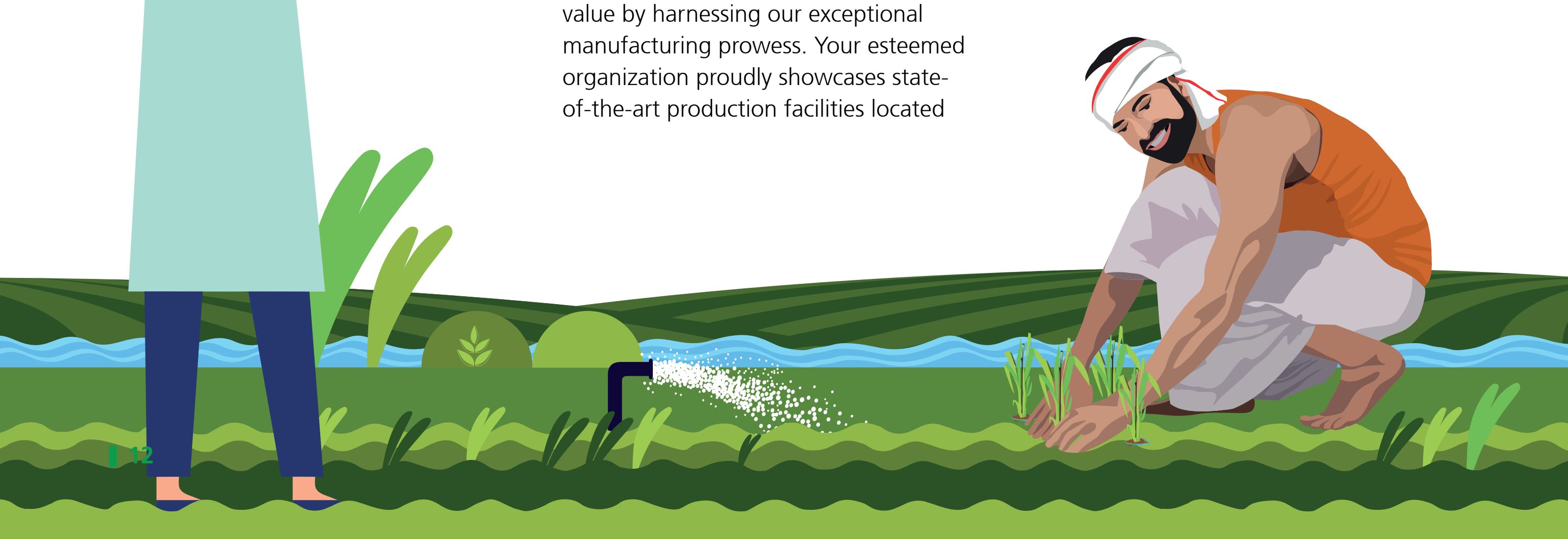
Welcome to IIL, where we offer an extensive selection of crop protection and nutrition products. Our range includes insecticides, herbicides, fungicides, as well as biological & plant growth regulators (PGRs).

As an innovative research-driven crop protection and nutrition company, we strive to develop affordable and high-quality crop protection solutions that not only increase yields but also improve the lives of farmers. Our unwavering dedication to quality, accessibility, and affordability has resulted in a diverse lineup of offerings, with over 21 technical grade products, 105 formulation products, which includes 35 Maharatna products specifically tailored to meet the needs of the farming community.

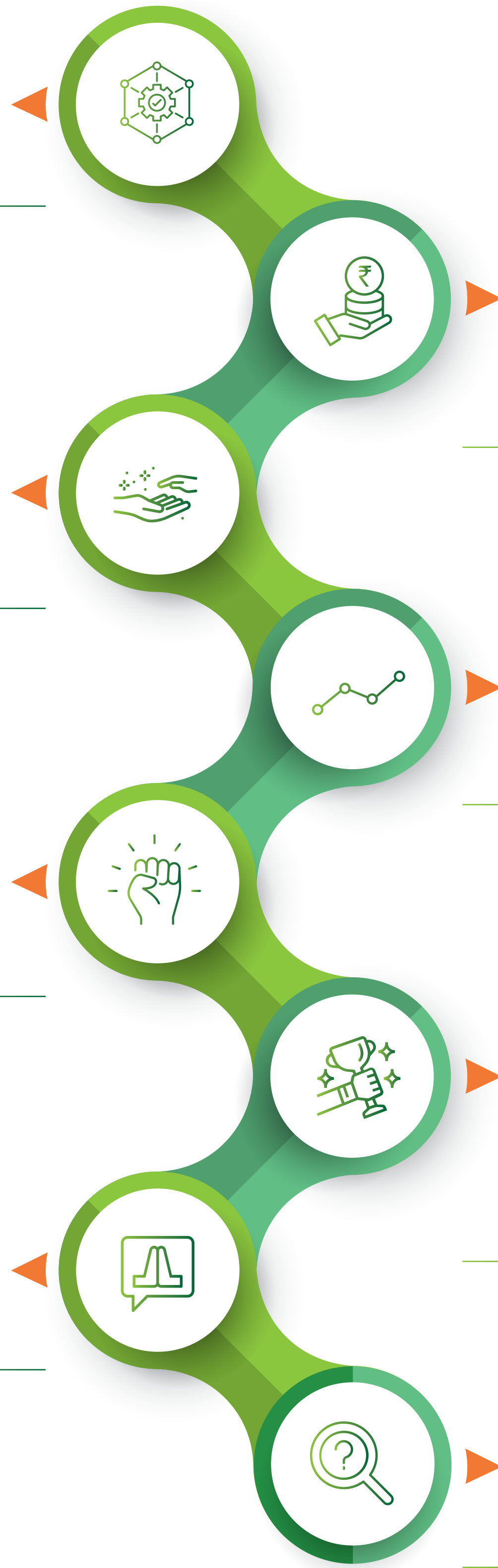
How we create value

In an ever-changing world, we provide our customers with new and innovative crop protection products and solutions. Through our offerings, we empower our farmers with the capability to meet the demands of numerous end-users, guaranteeing the supply of wholesome and nutritious food with the highest level of precision and satisfaction.

Throughout our journey, we have consistently generated immense value by harnessing our exceptional manufacturing prowess. Your esteemed organization proudly showcases state-of-the-art production facilities located strategically in Chopanki (Rajasthan), Samba and Udhampur (Jammu & Kashmir), and Dahej (Gujarat). Not only that, IIL possesses cutting-edge technical synthesis plants in Chopanki and Dahej, giving us a remarkable edge through seamless backward integration. Moreover, we operate a toll manufacturing plant in Shamli, Uttar Pradesh, with a specialized emphasis on Biologicals, thereby further expanding our horizons.



Values that drive us



Integrity leads us
We believe in leading with transparency and building strong relationships based on stakeholders' trust

Creating enduring value
The true measure of success is creating efficient and cost-effective products for our farmers, which we do by effectively combining our manufacturing prowess with innovative thinking.

Humility and strength
We take seriously our responsibility to create a trusted, welcoming and inclusive workspace that encourages a warm environment.

Own the outcome
We strive together to achieve accelerated growth in the market. We value time and review action at every step we take.

The Power of WE
We strive towards achieving collective excellence through the empowerment, recognition and provision of equal opportunity to all.

A winning attitude
We focus on developing a selfless and positive outlook that is key to our success story. By setting our sights higher and embracing efficient work methodologies, we continuously strive to amaze and outperform.

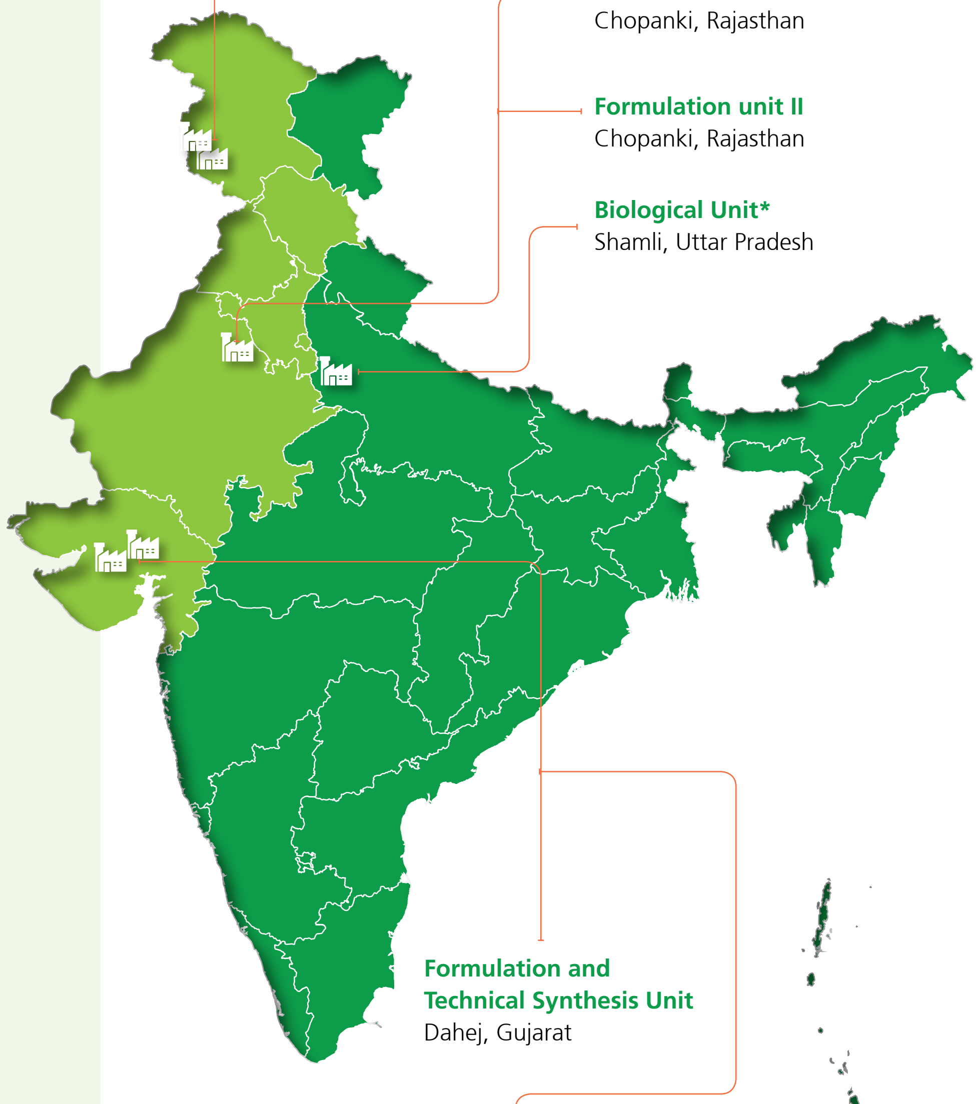
Inculcating gratitude
We are always thankful for opportunities obtained and the success achieved in our growth journey.

Curiosity
We believe it is essential to be intellectually curious in order to be nimble and adaptive.

OUR EXPANDING FOOTPRINT

Headquartered in Delhi, India, IIL has firmly marked its presence in over 24 countries worldwide. With an unwavering commitment to serving the farming community for more than two decades, IIL has nurtured a robust domestic footprint, boasting 28 branch offices backed by an innovative range of products. At the heart of our mission lies the philosophy of empowering farmers and fostering the sustainability of their farms, as we proudly connect with over 2 million farmers across India.

Harnessing the profound knowledge amassed from our esteemed farmer community, we have cultivated a diverse array of products that have propelled us beyond being a mere crop protection company, transforming us into a comprehensive provider of crop & nutrition solutions. Our product portfolio encompasses crop protection chemicals, biologicals, and soil nutrients, all born from the invaluable experience gleaned from the fields. This strategic selection ensures that our offerings cater to multiple crops, fruits, and vegetables, safeguarding against an overreliance on any single segment.



*Under toll arrangement

OUR GROWING PRESENCE

Backed by a strong product portfolio, we have not only expanded our presence across India but also in many key international markets. Today, IIL marks its presence in more than 24 countries spread across the globe.

OUR FOCUSSED PRODUCTS

Focused Maharatna Products

Maharatna Products

NEW PRODUCT LAUNCHES 2022-23

NEW PRODUCTS PIPELINE 2023-24

Out of the six products, four products has been already launched by Q2, FY24.

MESSAGE FROM THE CHAIRMAN'S DESK

> **At Insecticides (India) Limited, we deeply acknowledge the importance of environmental, social, and governance (ESG) aspects in driving sustainable development.**

Dear Shareholders,

It is always a matter of pride and pleasure for me to pen down my thoughts at the conclusion of yet another exciting year at IIL. IIL's journey in FY23 was a case of hard work and dedication. It was, in many ways an exceptional year, in both a positive and a negative way. On the one hand, it was a year with very strong growth not just in terms of revenue but also in terms of our strategic goals. On the other hand, it was a year where we faced a difficult situation due to liquidation of high-cost inventory, which resulted in a decline in profitability.

Harnessing our strengths

We are adapting to the changing aspirations of the evolving farmer community, driven by our clear purpose and inherent strengths, as we persistently work towards shaping the future in a sustainable way. Throughout the course of FY23, we focused on realigning our working strategy towards the development of off patented products and making them available for our farmers at a reasonable price. Additionally, we concentrated our efforts on innovation within our existing portfolio, backward integration and new generation formulations. Despite the challenging conditions prevailing within the agrochemicals industry, we successfully pursued our strategic goals, delivering value to our customers and shareholders.

Looking back on the year gone by

During the fiscal, we launched many new products. Also, during the year, we successfully completed a significant expansion program at our Chopanki (Rajasthan) facility, enhancing our technical capacities.

Coming to our consolidated financial performance, we have achieved consistent results, our revenue from operations stood at ₹1,80,132.85 lakhs for FY23; 20% increase on a year-on-year basis. Our profit before tax stood at ₹8,382.90 lakhs. This was mainly owing to the liquidation of high-cost inventory purchased before price corrections and forex losses from foreign transactions. As a result, our net profit also witnessed a decline in FY23 and stood at ₹6,321.12 lakhs.

Embedding sustainability in everything we do

At Insecticides (India) Limited, we deeply acknowledge the importance of environmental, social, and governance (ESG) aspects in driving sustainable development. Over the course of the year, we have achieved noteworthy milestones in establishing a strong governance system and implementing a comprehensive policy framework to guide our ESG initiatives.

Our main objective revolves around minimizing carbon emissions, preserving precious natural resources, increasing the proportion of renewable energy sources, and fostering responsible business conduct. Looking ahead, our unwavering commitment lies in delivering sustainable advantages to all our stakeholders and contributing positively to the environment for a cleaner and healthier planet.

Putting our people first

We take it upon ourselves to ensure that our team is inclusive and representative of the communities we serve. It is essential to create a work environment that enables the thriving of a diverse community of individuals in order to ensure the recruitment and retention of top talent. We are delighted to announce that we have made significant progress in establishing a genuinely inclusive organization and a joyful work environment for our team throughout the year.

Geared to seize the potential that lies ahead

By diversifying our portfolio, venturing into the biological segment, we intend to leverage our expertise and resources to create innovative and eco-friendly biological solutions that help meet the needs of both our farmer community and our ESG mindset. Our goal is to develop diverse biological crop protection solutions that align with our sustainability principles and offer value to our stakeholders. In the years ahead, we are looking forward to venture into different markets and maximise our growth potential.

Considering the favourable macroeconomic conditions in India and the rising global demand of agrochemicals from India, we are confident that IIL is strongly positioned to seize market opportunities. This provides us with an excellent chance to generate value, particularly as we focus on growing our international presence to expand and to capitalise on the growth prospects available.

In the years ahead, we are looking forward to venture into different markets and maximise our growth potential.

On behalf of every member of the IIL family, we thank our shareholders for the trust they have reposed on us. We are truly grateful for your sustained cooperation throughout our journey. Together, we will achieve a better and more sustainable future.

With best wishes

H. C. Aggarwal
Chairman

“Our primary focus is on reducing our carbon emissions, conserving natural resources, growing our dependence on renewable energy and promoting responsible business practices.”

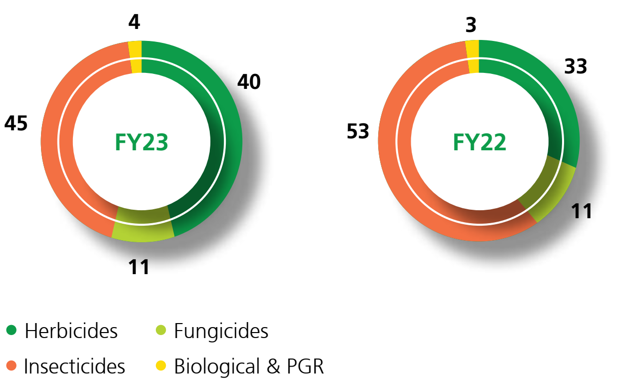
Numbers depicting our sustainable growth story

KEY PERFORMANCE INDICATORS

Our performance reflects resilience as we moved with agility to meet market opportunities with a farmer focus supported by innovation mindset.

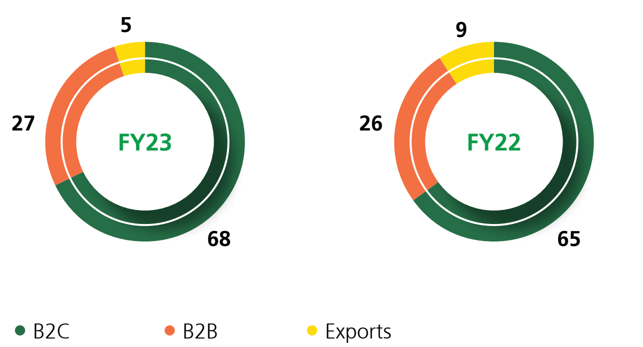
Segment wise revenue contribution

Revenue contribution (%)

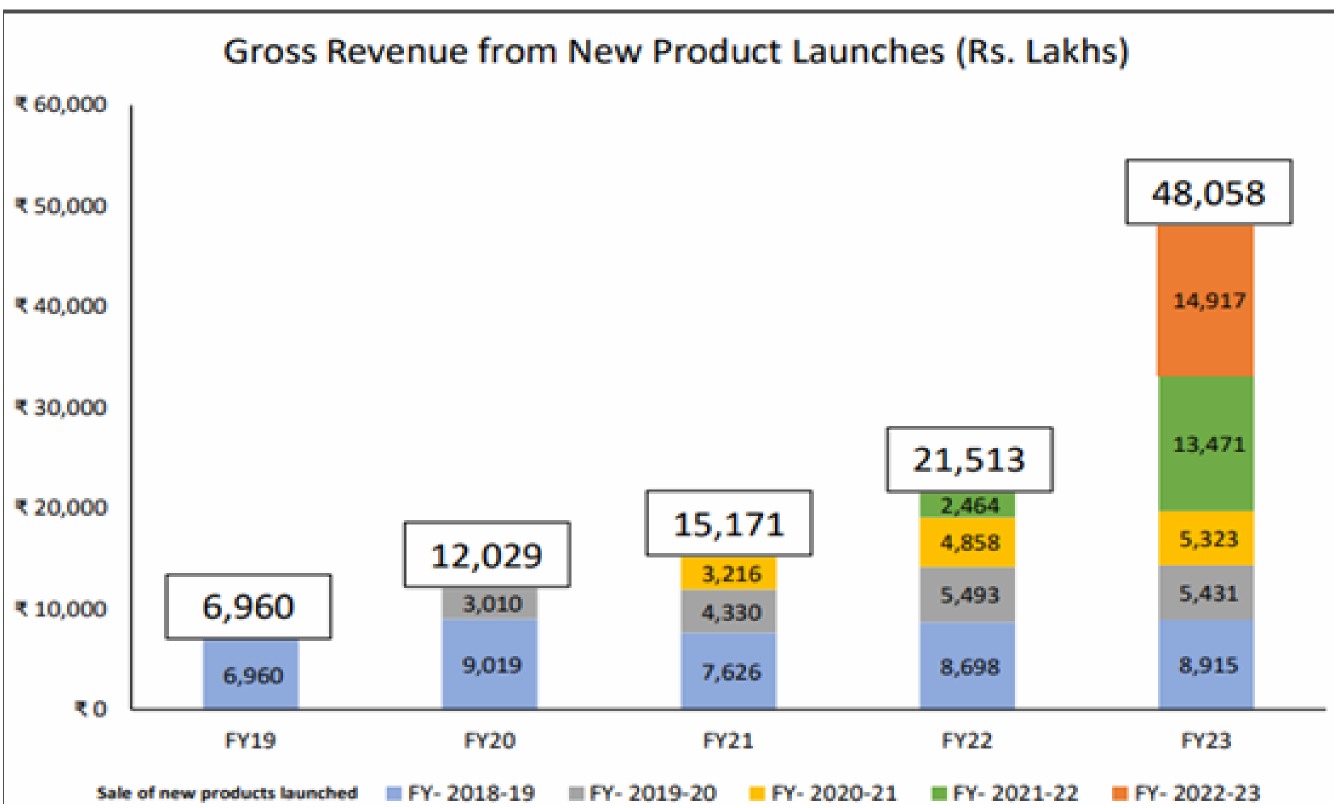


Net sales by segment

Revenue contribution (%)

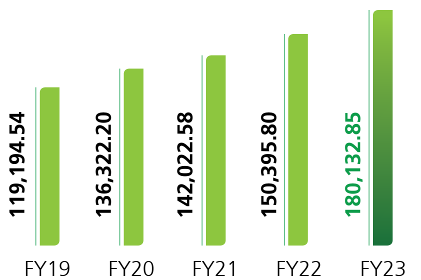


Our product freshness index



Profit and loss indicators

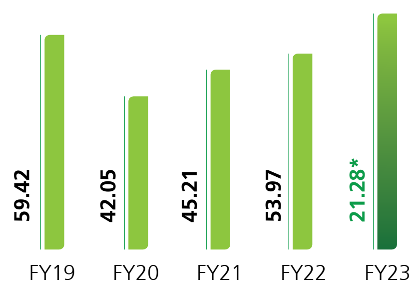
Net sales
(₹ in lacs)



PAT
(₹ in lacs)

EBIDTA
(₹ in lacs)

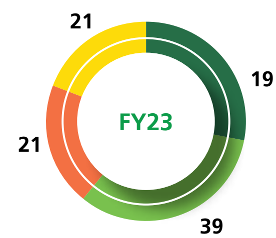
Earnings Per Share
(₹)

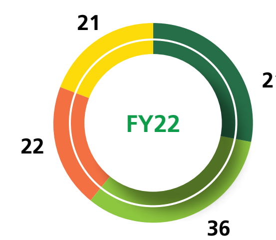


**Bonus shares alloted in the ratio of 1:2*

Region-wise branded domestic sales

Revenue contribution (%)

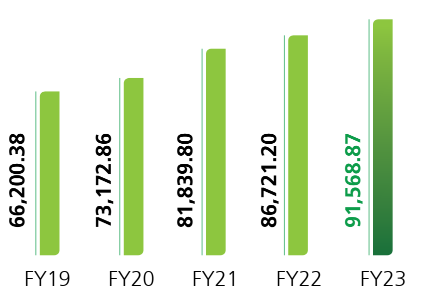




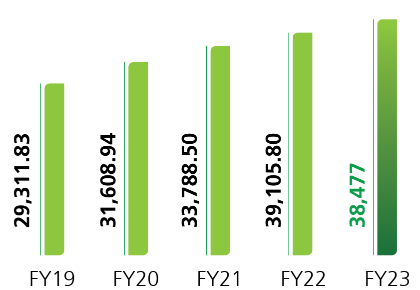
- North
- South
- East
- West

Balance sheet indicators

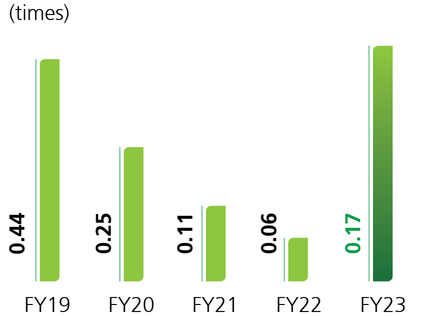
Net worth
(₹ in lacs)



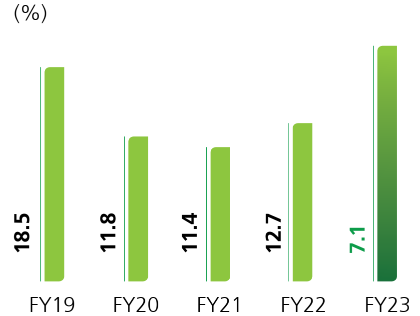
Net fixed assets
(₹ in lacs)



Debt-equity ratio
(times)

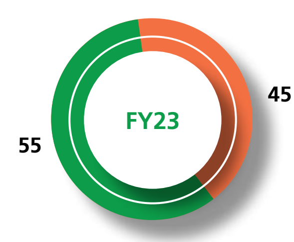


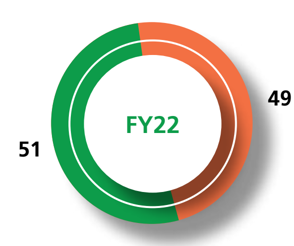
Return on equity
(%)



Revenue Contribution: Maharatna vs Other products

Revenue contribution (%)





- Maharatna
- other

All the figures mentioned in the graphs are calculated based on standalone numbers

Our journey over the years

THE STORY OF OUR TRANSITION

2001

Commenced operation with our first manufacturing facility at Chopanki

2002

Commenced commercial production at our Chopanki (Rajasthan) Formulations Plant

2003

In pursuit of our expansion strategy, we have successfully acquired 21 distinguished brands from Montari Industries, thereby fortifying our market presence and propelling our growth trajectory

2004

As a testament to our unwavering commitment to sustainable growth, we successfully inaugurated our second state-of-the-art manufacturing facility at Samba (Jammu and Kashmir)

2005

By placing a steadfast emphasis on product excellence and quality, we successfully obtained ISO 9001 certification for our Chopanki Plant.

We established our first research and development (R&D) unit, embarking on a path of continuous innovation and advancement.

2006

Established a fruitful technical partnership with AMVAC, a renowned company based in the United States, to produce and market the product, Thimet.

2007

Achieved prestigious listings on both NSE and BSE, bolstering our market presence

Bolstered our manufacturing prowess with the commencement of Chopanki technical plant

Successfully expanded our manufacturing capacities at the Samba plant, further fortifying our production capabilities

2008

We proudly attained the OHSAS 18001 certification for our Chopanki unit.

2011

Successfully acquired the popular insecticide brand, Monocil, from Nocil, adding another feather to our cap.

We embarked on a bold venture by commissioning two state-of-the-art facilities at Dahej, Gujarat, and Udhampur, Jammu & Kashmir.

2012

Unveiled the popular product Nuvan in partnership with AMVAC, USA marked a significant milestone in our product lineup.

Our fruitful collaboration with NISSAN (Japan) resulted in the successful launch of Hakama and Pulsor, cementing our commitment to continuous innovation in the interest of farmers..

2014

Established a new R&D center for product innovation at Chopanki in a joint venture with OAT Agi Agiro Co. from Japan.

Launched a state-of-the-art new Formulations Unit at Chopanki.

2015

Introduced the bio-product, Mycoraja, in the Indian market.

Bolstered investor confidence by issuing bonus shares and effectively secured funds via qualified institutional placements (QIPs).

2016

Collaborated with Momentive (USA) to introduce Agro Spred* Max.

Established a partnership with Nihon Nohnohyaku (Japan) to bolster or portfolio and launched two new products Suzuka and Hakko.

Pioneered the production of Green Label (Bispyribac Sodium 10% SC) in India for the first time,, subsequently launching it to captivate the Indian market.

2018

Launched a host of new products under 9(3) Registration (Sofia, Encounter, Hercules and Aikido)

2019

Further bolstered our portfolio with the launch of Chaperone, an OAT Agrio Japan product and Kunoichi, a patented miticide from Nissan, Japan.

2020

To boost our global presence, we commenced of our export-oriented facility at the Special Economic Zone (SEZ) in Dahej, Gujarat.

Further launched 7 innovative products tailored specifically for the domestic market.

2021

Launched a new patented product, Hachiman in technical collaboration with Nissan, Japan.

2022

We launched innovative products Shinwa & Izuki products in partnership with Nissan, Japan, marking a significant milestone in our journey.

Launched Torry, a maize herbicide as Make in India product.

IIL's R&D Centre at Chopanki, Rajasthan gets prestigious GLP Certification by DST, Government of India.

IN CONVERSATION WITH THE MANAGING DIRECTOR

Mr. Rajesh Aggarwal, Managing Director, explains how Insecticides (India) Limited rose to the challenge in FY23

As a part of our sustainable growth strategy, we continued to work on the development of new products and introduced six products in FY23.

Q How pleased were you with the Company's working during the financial year under review?

A During FY23, our journey began on a high, propelled by the eagerness with which the market accepted our new launches in the prior fiscal. We saw a palpable upswing in revenues and heightened profitability during the initial quarters. Regrettably, the industry dynamics transformed rapidly, yielding a lacklustre performance in FY23.

Throughout FY23, the global agrochemicals business landscape faced formidable challenges. However, things worsened during the final quarter. Challenges related to pricing of post-patent products, coupled with obstacles against achieving volume growth due to an oversupply scenario in China spared no one in the global agrochemicals business. Resultantly, declining prices forced us to liquidate our high-cost inventory and adversely impacted our bottomline.

Nevertheless, we grew revenues by ~20% in FY23, taking our revenues for the year to ₹1,80,132.85 lakhs. However, regarding EBIDTA and PAT, we registered declines of 28% and 41% respectively. The EBITDA margin declined by 451 bps, where as PAT margin declined by 363 bps compared to FY22.

The industry has remained oblivious to the unprecedented Chinese market collapse over the past decade or two. The broad-spectrum fall in prices ranged between 20%-50%, influencing our stockpiled goods valuation. Subsequently, we liquidated said reserves at prevalent market rates. This turn of events dented our bottom-line in the previous quarter

Q What were the operational challenges that the Company faced during the year under review? How did the Company overcome the same?

A One of the most significant challenges we encountered in FY23 was the pricing pressure exerted on our inventories and the escalating overhead costs. These issues arose due to a complex and unprecedented market environment. However, despite these formidable challenges, I am pleased to report that we persevered and made substantial progress throughout the year across different business functions such as implementation of new technologies, introduction of new products and enhancement of our R&D capabilities.

We implemented a comprehensive supply chain analysis to address the pricing pressure, identifying areas where cost efficiencies were achievable without compromising quality. We renegotiated contracts with suppliers, seeking mutually beneficial agreements that allowed us to maintain competitive pricing while ensuring sustainable profitability.

We streamlined our internal processes to cut overhead costs, evaluating department operations and using tech and lean methods to boost efficiency. Even in tough times, we invested in R&D, allocating resources smartly to drive innovation. Our R&D team created new products aligning with customer needs and sustainability, despite financial constraints from the market.

Our R&D Center at Chopanki received the prestigious GLP Certification from the Government of India.

Q What were the upsides that the Company reported during the year under review?

A Throughout the year, we achieved significant milestones through strategic and functional changes. We successfully completed the expansion of technical manufacturing at our Chopanki facility in Rajasthan, boosting our operational capabilities. The new plant could strengthen our business in FY24 with fresh products and molecules.

In FY23, a significant achievement was concluding an impartial third-party ESG audit of IIL's facilities. This approach underscores our commitment to sustainability and exemplary governance. Progress was made in governance, supported by a tailored policy framework for ESG efforts. Readers can explore the detailed ESG report for more information.

Furthering our growth plans, we began work on a new plant in Behror, Rajasthan. We acquired the land in FY23, and the setup will start in FY24. This facility will focus on technical and formulations manufacturing, showcasing our dedication to expansion and addressing customer needs. We are poised to strengthen our market presence by leveraging enhanced capacity and investments. Our unwavering focus on growth and innovation will continue delivering value to stakeholders and driving sustainable success ahead.

As a part of our sustainable growth strategy, we continued to work on the development of new products and introduced six products in FY23, such as Mission, Stunner, Izuki and Torry, among others. We reinforced our backward integration capabilities. Our R&D endeavours bolstered in-house raw material development capacity. These measures were crucial given the recent upheaval in raw material prices.

Furthermore, the year marked a significant journey in establishing a robust foundation for a connected value chain. Our primary thrust revolved around harnessing the wealth of data from diverse customer touchpoints. This strategic utilisation enabled us to discern and seize opportunities to elevate product uptake, propel productivity gains, curtail waste, and boost product and process quality. Further, during the year, we started integrating Sales Force CRM with our systems, which is expected to take our interaction with the channel partners and the farmers to the next level.

The R&D team also developed technical formulations to expand our premium product offerings. We made significant progress during the year and plan to introduce many new products in this segment.

Our R&D Center at Chopanki received the prestigious GLP Certification from the Government of India. This is a highly coveted accreditation and IIL's Chopanki, Rajasthan-based lab was the 52nd lab in India to receive this Certification. It stands as a testament to our focus on R&D and product quality.

Q How did IIL's export business perform during the year?

A If you're considering absolute figures, I'd like to note that FY23 proved to be another challenging year for our international business. Our export revenue is ₹94 crores in FY23. The global crop protection sector faced ongoing challenges in FY23 due to post-COVID economic instability in major economies. Despite the industry's recovery efforts, it encountered setbacks due to disruptions in the supply chain, inflationary pressures, tightening monetary policies by Central Banks, and abrupt fluctuations in raw material prices. These factors contributed to the performance observed in FY23.

However, in terms of non-financial aspects, FY23 showcased significant advancements. We expanded our international presence and established a solid footprint in 24 countries. Presently, we boast approximately 162 international registrations. Throughout the year, we diligently worked to increase this registration count, successfully completing nearly all regulatory formalities. As a result, we anticipate exceeding 200 registrations in FY24. To align with our business objectives, we enhanced the technical capabilities of our SEZ unit (an export-focused unit), enabling proficient management of next-generation formulation technologies like WDG and SC, among others. Furthermore, we made substantial investments to strengthen our presence in targeted international markets.

We not only introduced innovative offerings to our international clientele but also gained deeper insights into the registration processes of different international markets. Despite the challenges, our adaptability and proactive strategies position us for ongoing success in the upcoming year. We are confident that our commitment to innovation, sustainability, and customer-centricity will further elevate our standing in international markets and contribute to our return to a growth trajectory.

Q How optimistic are you about the Company's medium-term and long-term prospects?

A I am optimistic about our Company's medium and long-term prospects for several reasons.

Despite recent challenges, our Company has keenly recognised the immense potential the Indian market holds for the future. With evolving global supply chain strategies, changing chemical industry dynamics, population growth, and the need for food security, the Indian agrochemical sector could benefit. Indian agrochemical companies find abundant opportunities as global players increasingly turn to India for agrochemical sourcing. This fact is evident in India's agrochemical exports, surpassing ₹40,000 crores in FY23, highest ever.

Furthermore, industry experts predict that the Indian agrochemical sector will see growth of 8% to 10% over the next few years, with exports contributing to ~50% of this growth. Notably, the government aims to establish India as a global manufacturing hub, supported by advancements in supply chain dynamics and technology-driven progress by Indian players. These factors position the Indian agrochemical industry to capitalise on diverse growth opportunities.

Q How you are planning to sustain the long-term sustainability of Insecticides (India) Limited?

A At Insecticides (India) Limited, our steadfast focus centres on aligning our goals with two crucial aims: empowering farmers' resilience and enhancing shareholder returns. Guided by this, our upcoming expansion projects and technological investments leverage evolving socioeconomic trends at home and abroad.

Our emphasis on product innovation, particularly in new generation off-patented offerings, drives sustainability. In FY23, we concentrated on creating various in-house Off-patented products. This strategy is advantageous as several of these products were previously not within the reach of small and marginal farmers. Crafting these products in-house allows us to give farmers pioneering choices at competitive prices.

Furthermore, we're exploring next-gen formulations that blend two or three distinct products. This births new offerings and grants us intellectual property rights, benefiting all stakeholders. Farmers access unique products, logistics partners see heightened demand, and our profitability flourishes through innovation-led products.

We expanded our international presence and established a solid footprint in 24 countries.

Q What is the agenda for the Company in FY24?

A FY23 saw an investment-led improvement in operational excellence, technological progress, strengthened backward integration, enhanced R&D capabilities, and pioneering product launches. As we approach FY24, the management shifts attention to ramping production capacities and establishing a robust ESG framework for elevating our sustainability quotient.

I plan to pivot away from day-to-day operations and dive into strategising our next growth phase. This approach involves exploring novel paths through intricate R&D and pioneering product innovation. It also means expanding into new geographies to bolster our global presence.

Our confidence in Insecticides (India) Limited's prospects is unwavering. We aim to seize agrochemical growth opportunities, including exports, infrastructure, and data-driven approaches. With strategic initiatives, farmer satisfaction, and operational excellence at the core, we aspire to clock steady future growth.

We thank our esteemed shareholders for your steadfast support, trust, and confidence in Insecticides (India) Limited. We will dedicatedly deliver sustainable value and long-term growth for all stakeholders.

OUR EXPORT BUSINESS

Crop Protection business globally remained challenging in 2023, led by post-Covid economic instability across major economies. Furthermore, the situation further worsened because of geopolitical tensions, global supply chain disruptions, inflationary pressures, tightening of monetary policies by Central Banks & surge in Covid cases in China. Overall the situation was quite challenging during the fiscal.

International business division of IIL recorded revenue of ₹94 crores during the FY23 compared to ₹131 crores in FY22. The decline can be largely attributed to the market headwinds.

The global crop & non-crop business, together, is estimated to have increased by 12.40% (on a y-o-y basis) to reach a total value of USD 82.63 billion during calendar year 2022 compared to USD 73.419 billion during calendar year 2021. The rise in the value is mainly attributed due to the significant rise in raw material prices due to supply chain disruption as well as depreciation of local currencies against US dollar. (Source: AgriBio Investor Preliminary Market report Dec -2022)

During the year, IIL established a formidable presence in 24 countries spread across the globe. Further, we emphasised on consolidating our foundation by expanding our portfolio of products, enhance our new product launch & new product registrations to our existing partners & new clientele.

IIL's SEZ facility in Dahej has significantly contributed in developing cutting edge formulation technology to meet the specific needs of our customers. Further, we equipped our SEZ facility with the latest technologies to drive us to continually innovate & deliver solutions that empower farmers & promote sustainability. Our SEZ facility is now equipped with technologies to handle various eco-friendly formulations & will be further strengthened for handling new generation formulation technology such as WDG and SC.

Supply chain disruption has significantly impacted the product pricing & offerings to our key customers during the year.

We are committed to expand our market reach by leveraging our supply chain strength to drive supply chain efficiency; reduce costs & identify opportunities with new & existing customers. We continue to build & strengthen our core portfolio & expect to see our new launches across various categories of products.

IILs investment in bio solutions is in line with changing market dynamics. We are exploring opportunities with our existing customers in various regions by collaboration with big companies across the regions. Countries are framing regulatory guidelines for registrations of bio solutions will support our registrations & compliances.

Leveraging the manufacturing excellence combined with robust R & D capabilities & expanding distribution network will enable IIL to develop crop protection solutions effectively across regions & markets.

Key Focus area ahead

- Focus on geographic and market expansion through innovative & new generation eco-friendly products
- Focus on strengthening R&D capabilities and process scale-up for contract manufacturing
- We intend to invest in data generation regarding compliance with global regulatory guidelines
- Focus on scaling up our new pilot plant to strengthen process scale-up capabilities
- Focus on integrating the entire value chain through effective forward & backward integration
- Focus on effective use of digital technologies in order to display IILs' competency & capabilities

IIL is fully aware and well-positioned to tap international opportunities by making the right investments in manufacturing, R & D and improving internal processes through digitisation. We are banking on these to achieve our next leg of growth.


GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DIRECTORATE GENERAL OF FOREIGN TRADE
Certificate of Recognition

OUR BIOLOGICALS BUSINESS

With a growing eco-friendly focus, we began developing biological products years ago for sustainable agriculture. Currently offering over five pioneering products, developed at our state-of-the-art in-house biological R&D centers, equipped with modern microbiological and biochemical facilities. We strive to provide farmers with efficient solutions for healthy soil, healthy crops, and high yields.

To strengthen our presence, we plan to establish a subsidiary, IIL Biologicals Limited, dedicated to biologicals. Expected to operational in FY24, this strategic move aims to drive segment growth. We've also partnered with esteemed institutions like G.B Pant University, Uttarakhand, to enhance our expertise.

Extending our biological R&D initiatives we have inaugurated a research center dedicated to advancing the innovation within the spheres of biofertilizers, micronutrients, and crop protection. Remarkably, the center has achieved substantial milestones within a remarkably brief period since its inception. With an unwavering commitment to the refinement of biological formulations, IIL consistently maintains a vigilant watch over the burgeoning advancements unfurling in the realm of agricultural biological solutions. This dedication propels us to fervently collaborate with organizations that wield a pivotal influence on the evolution of such cutting-edge technologies.

How we are different

BUILDING ON OUR STRONG FOUNDATIONS

Our investment proposition holds an irresistible allure, stemming from an exquisite fusion of qualities such as:

- **Unparalleled manufacturing capabilities.**
- **Excellence in research and development.**
- **Formidable financial fundamentals.**
- **Strong backward integration.**
- **A well-defined growth strategy.**

This unique combination forms the bedrock of our sustained growth over the years, promising boundless possibilities for astute investor community.

I. Robust financial position

Our financial strategy is based on principles of prudence and sustainable growth. We maintain a strong balance sheet with a superior liquidity profile. Over the last few years, we have continued to deleverage our business, led by improved operating cash flows and stable working capital requirements.

Over the last few years, we remained net cash positive, driven by sustained EBITDA levels. This has provided our business with the required stability and financial flexibility.

II. Growing market presence

In just a span of 22 years of operation, we have successfully positioned ourselves as one of the leading players in the Indian agrochemicals and crop protection industry, commanding an impressive market share of the organized market. Throughout our journey, we have diligently expanded our footprint by placing great emphasis on research and development. This unwavering focus has paved the way for the creation and delivery of sustainable, highly effective, and cost-efficient products.

Our biological products portfolio, introduced in 2014, has achieved a formidable response from the market and with our biological R&D segment we intend to grow this portfolio and enhance its share in the overall revenue. This exceptional progress can be attributed to the growing demand for environmentally friendly solutions, a diverse product range that caters to various price points, and the strategic synergy of our business.

₹91,568.87lakhs

Net Worth

0.17

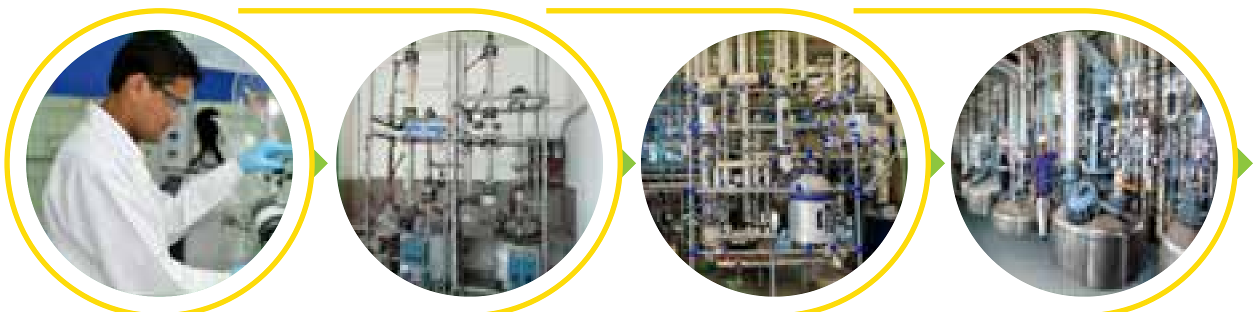
Debt-to-equity

Top 6 products

III. High degree of backward integration and technological advancement

Over the course of the last decade, we've made substantial investments in our manufacturing facilities, strategically striving to focus on backward integration in our operations.

Throughout our journey, we have triumphed in establishing comprehensive in-house capabilities, encompassing every stage of product development. Starting from nurturing new ideas in our cutting-edge laboratories, we smoothly transitioned to our state-of-the-art pilot plants, where we perfected the processes and technologies necessary to bring these innovations to life. The ultimate success lies in our ability to transform these ideas into tangible products for the market, achieved through seamless commercialization.



Lab scale gram level | Kilo lab | Pilot plant scale | Commercial scale

IV. Pioneering R&D capabilities

In our realm of cutting-edge research facilities lies a compelling and exclusive value proposition, tailored to cater to our esteemed customers. Our unwavering commitment to pushing the boundaries of research and development, particularly concerning vital raw materials and formulations, allows us to seize the very essence of prevailing market trends.

Moreover, bolstered by our formidable teams of researchers and their unwavering dedication to introducing pioneering formulations, potent mixtures, and unique combinations, we have harnessed a continuous flow of products. These products, surpassing the offerings of our peers, exemplify our dedication to delivering unrivalled value. Also, thanks to our research and development capabilities, we have been able to build on our ability to bring innovative products to market quickly and on a commercial scale. These R&D centers are home to devoted professionals that perform a variety of chemical reactions with the use of analytical tools including the GC, HPLC, GC Mass, AAS, UV and Infrared Spectrophotometer and HPLC-Mass.

V. Partnering for progress

Across the different segments of our presence, we have forged strategical collaborations with other renowned global players and academies, to leverage their expertise and introduce world class products across our key markets. These collaborations facilitate the creation of building blocks for a more sustainable future of food and agriculture. The culture of collaboration is embedded in IIL and is one of the biggest drivers of our sustainable growth strategy.

Our key collaborations

Entered into a research and development joint venture (JV) with **OAT Agrio Co., Ltd., Japan** for innovation and discovery of new molecules under the name of OAT & IIL India Laboratories Pvt. Ltd. along with a marketing tie-up for specialty products.

Technical and marketing alliance with **Nissan Chemical Corporation, Japan**, for specialty products.

Entered into a marketing tie-up with **Momentive Performance Materials, USA** for speciality products.

VI. Sustained brand recognition

With a resolute commitment to the agrochemicals industry and the farmer's community, we have distinguished ourselves through the artful weaving of an impactful narrative. Our unwavering dedication to promoting the brand through strategic marketing and substantial investments has bolstered our standing in the market. Over the years, we embarked on a transformative journey and embraced a multi-faceted approach to reach a wider audience. At IIL, our core essence lies in fashioning a purpose-driven brand that revolves around the dreams and aspirations of farmers, placing them at the very heart of our innovative product development.

Going beyond with quality

At IIL, we believe that quality is the key to success. We want our customers, like farmers and institutional clients, to be delighted with our products and services. That's why we work tirelessly to make sure everything we do is of the highest quality.

Strict quality standards

We have very high standards when it comes to quality. We follow strict rules and guidelines in everything we do. From developing crop protection solutions to running our facilities, we make sure that everything is done right.

Top-notch facilities

Our facilities are top-notch. We have the latest technology and equipment to create the best products. This helps us make sure that our crop protection solutions are not only affordable but also of the highest quality.

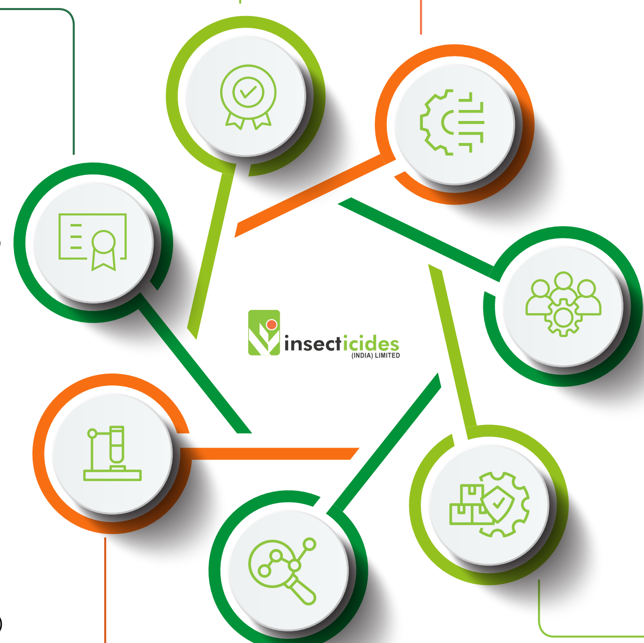
Prestigious certifications

We are proud to have prestigious certifications like NABL. This certification is given to our Quality Control (QC) labs at three major plants at Dahej, Chopanki and Samba. It shows that we are dedicated to maintaining the highest quality standards.

During the year, we were bestowed with the prestigious GLP (Good Laboratory Practise) compliance certification for one of our Research Lab at Chopanki, Rajasthan by National Good Laboratory Practice (GLP) Compliance Monitoring Authority (NGCMA) of Department of Science & Technology (DST), Government of India.

Unified standard

Our tenured senior management team guides us in following a unified standard. This means that no matter where our products are sold, they meet the same high-quality standards. This helps us maintain consistency and ensures that our customers are always delighted.



State-of-the-art laboratory

Our laboratory is equipped with advanced instruments. This helps us meet the quality requirements of different regions. We can test and analyze our products to make sure they are safe and effective.

Testing and monitoring

To make sure our products are the best, we have designated facilities and trained personnel to handle testing and monitoring. We test the raw materials, packing materials, and finished products to make sure they meet our high standards. We also monitor the environmental conditions to ensure everything is safe and secure

Quality management structure

We have a well-defined quality management structure in place. This means that we have clear rules and processes to make sure everything is done correctly. Our systems, facilities, and processes are aligned with globally accepted standards.

At IIL, we are committed to providing the best products to our customers. We believe that quality is the foundation of our success, and we will continue to strive for excellence in everything we do.

Our business model

HOW WE ARE CREATING LONG-TERM VALUE BACKED BY PERSEVERANCE AND INNOVATION

Inputs

Financial capital

Financial resources that the Company has or obtains through financing

₹2,959.78 lakhs
Equity share capital

₹14,044.15 lakhs
Net debt

₹91,568.87 lakhs
Net worth

Manufacturing capital

Tangible assets used by the Company to conduct its business initiatives

2
Technical Synthesis Plants

6
Formulations Plants

1*
Biological Unit
*(under Toll Manufacturing)

₹8,658.79 lakhs
Capital expenditure

₹40,211.09 lakhs
Gross block of fixed assets

Intellectual capital

R&D knowledge, intangible, knowledge-based assets

4
R&D centres

60+
R&D team

21
Patents

Human capital

Harmonious blend of expertise and proficiency of our formidable workforce helps us grow sustainably

1,472
employees on payroll

₹9,838.05 lakhs
Employee expenditure

Social and relationship capital

Ability to share, relate and collaborate with stakeholders, promoting community development and well-being

6000+
Distributors

380+
SKUs

70,000+
Dealers

21,00,000+
strong farmer community

Natural capital

Natural resources impacted by Company's activities

1,473.31 MW
Renewable energy capacity

9%
Solar power contributions towards total energy consumption

Value creation process

Pillars of our growth

Innovative product and solution | Farmer focused research and development | Sustainable supply chain | Operational excellence | Reliability & trust

Governance

Risk management

Business strategy

Functions which help us create value

- Manufacturing
- Finance and accounts
- Marketing & Sales
- Human resources and administration
- Secretarial and legal
- Supply chain
- Research and development
- IT and digital services
- CSR
- Energy management

Resource allocation

Performance optimization

Outputs

Herbicides

Used to prevent and control weeds in crops

Insecticides

Used to effectively control the insects in crops

Fungicides

Used to prevent and control different diseases in crops

Biologicals

Used for the good health and productivity of the crops

Outcomes

- Improving financial health through efficiencies
- Improve working capital management
- Reduce debt and improve debt-equity, enhancing stability
- Ensure double-digit revenue growth

- Tailored and affordable solutions for the farmers and based on regions
- Provide customers with differentiated products, which are highly valued
- Enabling seamless collaboration and borderless growth

- Investing in R&D to efficiently develop off patented product
- Understand farmer pain point to develop value-added products
- Build on our proprietary knowledge to sustain growth and build on our market share

- Prioritising engagement, retention, and effective talent management
- Prioritize employee well-being and promote work-life balance
- Bridging skillset gaps through targeted learning and development programmes

- Making a positive difference in the lives of farmers, dealers and distributors
- Enhance farmer's knowledge with effective farmer training programs
- Ensure farmers' economic prosperity
- Fostering harmonious relationships with regulatory and industry bodies

- Ensure effective usage of natural resources
- Reduce carbon footprint by adopting energy efficient manufacturing process
- Working on adopting zero liquid discharge (ZLD) policy across all our manufacturing units.

Sustainability at IIL

OUR COMMITMENT TO ESG PRACTICES

At IIL, the environment, social and governance (ESG) framework showcases our intent.

The environmental aspect emphasises the use of sustainable resources, minimising resource consumption, implementing efficient waste management, reducing fossil fuels and reducing our carbon footprint.

The social aspect of our ESG framework focuses on investing in people, nurturing a positive organisational culture, building strong external stakeholder relationships and fulfilling our social responsibilities.

The governance element of our ESG framework outlines how we conduct our business, including strategic direction, ethical values, codes of conduct, and board composition adhering to the requirements of Corporate Governance set out by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

IIL has minimised environmental impact essentially by adopting environmentally friendly manufacturing practices, technologically advanced machineries, optimum resource utilization, and promoting higher usage of renewable energy. This helped us in reducing carbon emissions and minimising our ecological footprint. The manufacturing units of the Company are certified as per ISO 9001, ISO 14001 and ISO 45001, among others to meet rigorous global safety and performance standards.

Contributing to more equitable society

1,472
Number of permanent employees

11.3 hours
Average training hours imparted to per employee

4.2
Scored 4.2 out of 5 in Employee Happiness survey

₹268.78 lakhs
CSR spend in FY23

Creating impact through Governance

5
Number of tenured independent directors

4
Number of R&D units

Our ESG performance snapshot

Transforming operations through Environmental Sustainability

30%
Attained more than 30% Green belt conforming to air quality standards

9%
Solar Power plants contribute 9% of total electricity consumption

Zero Liquid Discharge
Implemented zero liquid discharge policy in three plants (Chopanki, Samba and Udhampur)

590.29 MT and 21.44 KL
Successful disposal of hazardous waste

Our ESG Framework

Supporting local communities

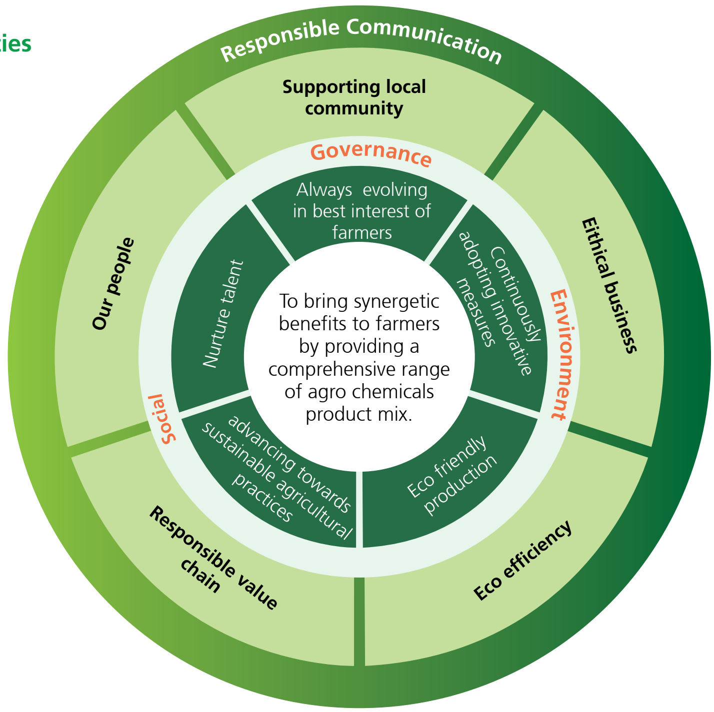
- Local communities

Our people

- Employee development and engagement
- Occupational health and safety
- Diversity and equal opportunity
- Human rights

Responsible value chain

- Product safety and transparency
- Supply chain management



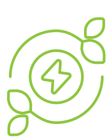
Business Management

- Business ethics
- Economic performance
- Research and development
- Governance

Eco-efficiency

- Materials management
- Energy and emissions
- Water management
- Waste reduction

Our ESG priorities

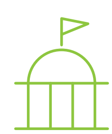


Environment

- Focus on stemming greenhouse gas (GHG) emissions
- Conducted carbon footprint mapping of our operations
- Implemented efficient inventory and logistics management to reduce carbon emissions
- Promoted material reuse and recycling to reduce waste
- In the process of implementing a zero liquid discharge (ZLD) system to treat and recycle all the water used in our manufacturing and domestic processes
- Provided environmental awareness training; promoted technology upgradation
- Implemented urban forest development and saplings plantation

Society

- Our priority has been to prioritize the health and safety of our personnel.
- Implemented risk-based training
- Prioritised safety of employees and communities
- Provided financial help to social and environmental causes
- Promoted women's empowerment; encouraged representation from diverse background and regions



Governance

- Strong Board with respected Independent Directors
- Four Independent Directors (One Independent Woman Director) among nine Board members
- Effective Board committee structures and committees
- Related part transaction policy, Sustainability Policy, Whistle-blower / Vigil Mechanism policy, CSR policy
- Policy against sexual harassment

Our environment commitment

The concept of 5R's: Reduce, Recycle, Reuse, Reprocess, and Renewables, has been the cornerstone of our operations at IIL. Our emphasis on the correct usage of our crop care products is demonstrated through the implementation of our approach, "Sahi ka mantra" (right time, right product, right dosage, right method). Our organization provides education to farmers regarding correct dosage, application techniques, and the importance of following label instructions.

IIL's R&D expenses were focused on enhancing the environmental and social performance of our products, empowering farmers to adopt sustainable agricultural practices and the judicious use of our crop care products to contribute towards sustainable agriculture and the overall well-being of farmers and the environment.

IIL moderated emissions and improved energy management through adopting efficient manufacturing techniques and energy efficient machineries. The Company invested in renewable energy and in recycling natural resources.

It remained committed to moderate water and energy use and its goal is to become a water-positive and carbon-neutral corporate entity.

As a part of our CSR initiatives and commitment towards sustainability, the Company regularly undertook tree plantation drive to help maintain the green cover and promoting biodiversity growth.

It remained committed to moderate water and energy use and its goal is to become a water-positive and carbonneutral corporate entity.

Our social commitment

At IIL, our commitment to fostering lasting and meaningful relationships with multiple stakeholders lies at the heart of our values. Through a comprehensive and holistic approach, we strive to create sustainable value for all involved, cherishing our existing connections while actively forging new ones.

Our dynamic and passionate team of employees embodies a culture of excellence that fuels our endeavours. At IIL, we take great pride in cultivating an inclusive workplace that encourages personal fulfilment and growth for each individual. Additionally, our enduring partnerships with vendors have significantly boosted our operational efficiency. Moreover, our primary customers choose us due to the undeniable appeal of our superior price-value proposition.

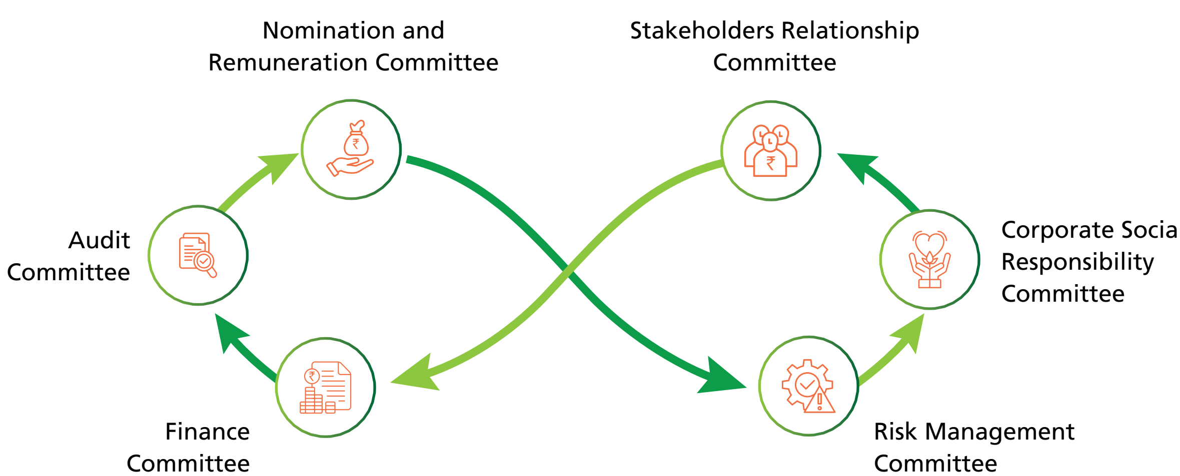
IIL's dedication to CSR extends our prosperity circle even further. Guided by a well-defined CSR policy and overseen by a committed CSR committee and senior management, our CSR initiatives undergo consistent monitoring and evaluation. During the year, we allocated ₹2.68 crores to fulfill our responsibilities as a socially conscious corporate entity. Our efforts encompass diverse community development initiatives, including uplifting farmers, supporting rural progress, promoting education and vocational skills, providing essential healthcare, sanitation, and clean drinking water, and creating livelihood opportunities for the underprivileged sections of society.

During the year, we allocated ₹2.68 crores to fulfil our responsibilities as a socially conscious corporate entity.

Our governance commitment

Embodying the essence of our cherished values, our culture, policies, and interactions with stakeholders resonate harmoniously within our corporate governance framework. The bedrock of our success lies in unwavering integrity and unyielding transparency, forging a steadfast bond of trust with our valued stakeholders. This unswerving commitment enables us not only to secure their trust consistently but also to thrive and excel in our endeavours.

We unwaveringly uphold the highest corporate governance standards and faithfully abide by the mandates set forth by the esteemed Ministry of Corporate Affairs (MCA) and the esteemed Securities and Exchange Board of India (SEBI). With an unwavering dedication to these principles, we have constituted various committees to ensure a culture of unwavering integrity, utmost transparency, and unwavering accountability across our different business activities.



Accountability

IIL's Board comprises experienced members who have enriched our understanding of the economy and sector, aiding in determining a strong strategic direction. In particular, our four Independent Directors play a crucial role in infusing fresh external perspectives into our decision-making processes and overall functioning. Their valuable insights and expertise ensure that we stay dynamic, innovative, and well-aligned with the ever-changing business landscape.

Integrity

IIL conducts its business with credibility, characterized by impartial talent recruitment and evaluation, promoting gender respect and equality, maintaining a zero-tolerance policy towards sexual harassment and ethical violations, and prioritizing environmental preservation.

Process-driven

IIL is driven by processes, checks, balances, audits and compliances, consequently resulting in enhanced trust in its reported numbers.

Balanced approach

IIL believes in taking a conservative approach when interpreting accounting treatments to ensure that our financial statements accurately reflect our financial position. We also view market facing initiatives as opportunities to prepare ourselves for potential opportunities in the future.

Customer adjacency

IIL engages with customers (digitally and personally), building relationships with customers and increasing wallet share.

insecticides (INDIA) LIMITED

IIL's latest addition to its 'Make in India' range of products, with one of its kind innovative packing.

Building bridges

FOSTERING EFFECTIVE COMMUNICATION WITH OUR STAKEHOLDERS

	Investors	Customers
Why are stakeholders important to us?	Our business benefits from investors who provide capital and valuable feedback on financial, non-financial, and strategic performance.	Revenue generation and product enhancement via feedback are directly linked to customers.
How do we engage with them?	Presentation of formal results every quarter of the financial year. It is our annual practice to conduct an AGM. Regular meetings and calls, either directly or through diverse investor conferences.	We strive to comprehend our customers' priorities by consistently communicating with them through multiple digital and offline channels, and we assess the effectiveness of our products based on their feedback.
Initiatives undertaken in FY23	• Ensuring the efficient allocation of resources for growth and expansion plans. • Maintain a consistent level of profitability over a prolonged period. • Optimization of efficiency and cost management.	• Providing unique and value-added crop protection solutions • Being at par with changing market dynamics and farmers requirements • Providing solutions that are pocket friendly also • Providing customer support through both digital and offline mediums

Understanding our stakeholders is of utmost importance. To achieve this, we consistently and actively engage with them, adopting a proactive approach. By doing so, we aim to align our business objectives with their expectations, ensuring that we remain faithful to our core purpose. This concerted effort forms the foundation for building fruitful, enduring relationships. Furthermore, it enables us to identify and tackle critical issues, thereby allowing us to anticipate emerging risks, capitalize on opportunities, and face challenges head-on and, in turn, strengthen our competitiveness and sustain long-term value creation.

Employees	Suppliers and business partners	Communities	Environment
Our employees are instrumental in translating our strategy into action, embodying our culture, and driving us towards fulfilling our purpose. Their invaluable contribution plays a vital role in generating value for our stakeholders.	Their critical contributions to our business include a strong supply chain and prompt delivery of high-quality raw materials. These factors are crucial to our operations, ensuring efficiency and excellence in our products or services.	Our aim is to make a positive impact on the local community (including the farmer community) through our products and activities. Strong relationships and a thorough understanding of the locals' needs are crucial in achieving this.	The integration of environmentally beneficial practices and products is a crucial objective for our business.
Relevant employee forums are utilized to communicate with our people, along with pertinent training and development programs.	We strive to find collaborative and effective communication methods with our various channel partners. These methods include operational reviews, workshops, events, detailed SOPs, periodic reviews, and surveys, amongst others.	We engage in consultation with local communities prior to the commencement of all societal upliftment programs, and we remain committed to maintaining these relationships beyond completion.	Various programs related to climate change, carbon footprint reduction, water, and waste management, among other issues, are being introduced to achieve a positive environmental outcome.
• Skill development and enhancement in line with changing market context • Developing and implementing customized employee engagement programs as needed • Ensuring competitive remuneration and equal employment opportunities	• Build and maintain long-term mutually beneficial relationships • Ensure compliance with ESG standards through periodical audits and training sessions	• Creating positive impact on communities proximate to our operations • Employment generation and help in biodiversity regeneration • Developing and steering long-term relationships with our local stakeholders worldwide	• Focus on reducing carbon footprint and enhance renewable energy generation • Effective waste management and water recycling

Our brand story

BUILDING BRAND VISIBILITY

At IIL, our commitment to excellence is exemplified by our rigorous research and development process for each and every product. However, in our highly competitive environment, manufacturing quality products alone is not enough. Equally vital is our ability to effectively communicate and connect with the farmer community.

Throughout the years, we have successfully established a strong and encompassing brand presence, one that is both aspirational and aligned with the core values of our Company and products. We have intelligently streamlined our brand communications to adapt to changing industry trends and cater to the diverse needs of different regions. Our communication strategy revolves around upholding our legacy while creating promising brands that remain steadfast in their commitments. Through these brands, and with the support of our omni-channel communication approach, we not only reflect the true mindset of IIL but also ensure that our message resonates with the culture and essence of our organization.

One significant milestone in our branding journey was our collaboration with the renowned Bollywood celebrity actor, Mr. Ajay Devgan, who became our esteemed Brand Ambassador. This association has been instrumental in propagating the unique properties and qualities of our products.

Our customers associate IIL with quality and experience. It has always been our endeavour to deliver a complete solution-focused experience to our customers – from best-in-class products that answer their expectations, to seamless service solutions that extend and enhance their product usage journey. Strengthening the brand experience through 360-degree communications is an extension of this relationship that we share with our farmer community.

To extend our reach and impact, we adopted an integrated marketing communications approach, adopting both traditional brand building initiatives along with strategic focus on social and digital media platforms. We shifted from product-centric campaigns to socially relevant communications, capturing the hearts of our target audience through memorable commercials that help strike an emotional chord. As a result, we have inspired positive thinking and progressive behaviour while fostering engaging conversations. At IIL, we understand that creating exceptional products is just one aspect of success; equally essential is the art of meaningful and resonant communication, ensuring a lasting bond with the farmer community and beyond.

देश की शान, किसान की पहचान

Desh ki shan, Kisaan ki pehchan – IIL's Tractor Brand

A new Tractor Brand anthem has been launched by the IIL's marketing team with an aim to showcase and popularise the IIL's Tractor Brand and the different products of the Company. Our campaign focused on demonstrating the different products that IIL has under the Tractor Brand and the invaluable contributions of our products have made to enhance overall productivity and economic progress of the farmers.

देश की शान TRACTOR BRAND IIL किसान की पहचान

Insecticides Jaroori Hai

#InsecticidesJarooriHai

IIL Foundation has launched a new initiative called "Insecticides Jaroori Hai" on Facebook and YouTube, focusing on farmer welfare. The program aims to provide affordable, research-based products and farming techniques to farmers. This digital platform aims to thank farmers for providing food and bust myths about insecticide use while providing authentic farming information and solutions to farmers' hurdle.

The Campaign garnered lacs of views across different social media platforms and also helped increase IIL's follower counts across social media.

Insecticides Jaroori Hai's Hero Campaign

An innovative series of initiatives aimed at dispelling misconceptions surrounding the utilization of insecticides and agrochemicals in crops. This thoughtful campaign seeks to promote the understanding that these agricultural aids play a crucial role in enhancing both the quality and quantity of yields. By debunking myths and highlighting the significance of responsible insecticide usage, it empowers farmers with the knowledge needed to make informed decisions for the prosperity of their harvests.

HOW OUR SALES AND DEVELOPMENT TEAM ARE WORKING CLOSELY WITH THE FARMERS PAN INDIA

The IIL marketing team has been consistently working with the different farmer communities to educate them on the proper usage of agro chemicals and help them understand how it can boost productivity and yield.

insecticides (INDIA) LIMITED

Building the future

TRANSFORMING WITH OUR PEOPLE

At IIL, our team is our most valuable asset, representing the backbone of our organization. Their combined wisdom, expertise, and experiences are essential for achieving our strategic goals.

We understand the critical role of recruiting, nurturing, and retaining top-tier talent to stay at the forefront of the industry. Over the decades, we have cultivated a skilled and diverse cohort of individuals who embody our principles of innovation, excellence, and integrity.

Empowering our people is a top priority, and we provide a work environment that fosters growth and success. Workplace transformation is a key pillar of our ESG purpose and framework, where we focus on health, safety, diversity, equity, and inclusion initiatives. Our goal is to create an ecosystem of equal opportunities, recognition, and motivation.

This transformative approach is unlocking the full potential of our workforce, resulting in long-term benefits for the organization through a rich blend of skills, experience, and diverse perspectives.

Talent management

Attracting and retaining the right talent

Throughout the year, our primary focus remained on attracting top-tier talent to join our organization. To achieve this goal, we implemented a comprehensive recruitment strategy that encompassed targeted sourcing, rigorous selection processes, and robust on-boarding programs. Our objective was to not only bring in individuals with the necessary skills but also those who resonate with our Company values and culture.

In addition to recruiting exceptional talent, we have also invested in various employee engagement activities to foster a stronger sense of ownership and camaraderie among our staff. By doing so, we aim to facilitate their personal growth in line with the Company's expansion. We place great trust in our employees and actively seek their input, encouraging their involvement in cross-functional projects. This collaborative approach further strengthens our bond as a team and contributes to the overall success of the organization.

Creating a Happy Workplace

During the year, we focused on cultivating a "listen to act" culture, which we believe is vital for a responsive and effective talent management system. To achieve this, we emphasize continuous employee involvement. In tandem with our employee engagement platforms and activities, we conduct an annual survey to actively engage with our workforce. Through this survey, we assess their job satisfaction, the opportunities available to them, and address any general concerns they might have. Identifying these areas of improvement allows us to enhance the overall employee experience and foster a more productive and content workforce.

In line with our philosophy of creating a positive work environment for our employees, we conduct an annual happiness survey to measure employee well-being and satisfaction within the workplace.

Scored 4.2 out of 5 in Employees Happiness Survey in FY23

Learning and development

We highly value the growth of our current talent. Our commitment to employee development is evident through substantial investments in various initiatives, such as comprehensive training programs and leadership development. Collaborating with renowned institutes, we have designed a structured development program dedicated to nurturing potential leaders. As a result, participants acquire crucial leadership skills such as strategic thinking, communication, and decision-making. Additionally, we encourage our employees to undertake different knowledge enhancing educational courses, thus empowering them to enhance their knowledge and skills, leading to improved effectiveness and performance.

Promoting diversity, equity and inclusion

At the heart of our people strategy lies a strong commitment to diversity and inclusion. We are unwavering in our efforts to foster gender parity and inclusivity at every level of the organization, from the upper echelons of senior leadership and decision-making bodies to the various SBUs and enabling functions. Our dedication to this cause is evident in the composition of our exceptional talent pool, which embraces individuals from various geographic locations, minorities, ethnicities, and cultures. As an equal-opportunity employer, we continuously strive to fortify our stance and create an environment that welcomes and embraces people from all walks of life.

Employee well-being

We deeply value the well-being of our employees and understand its significance. To ensure a thriving work environment, we have proactively implemented various measures that prioritize work-life balance, provide mental health support, and cultivate a positive workplace culture. Emphasizing our dedication to our employees' overall wellness, we offer an array of comprehensive benefits, including flexible work arrangements, wellness programs, and regular health check-ups. These initiatives are a testament to our unwavering commitment to fostering a healthy and supportive atmosphere for all our team members.

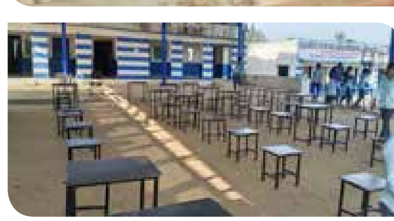
CARING FOR COMMUNITIES

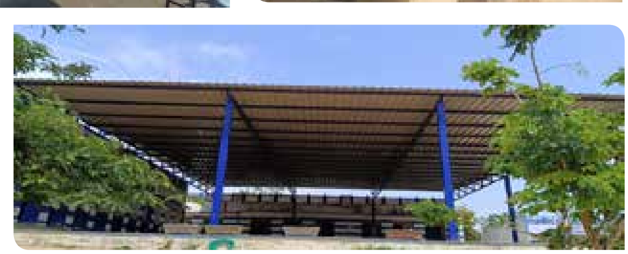
IIL is deeply committed to community development and understands the important connection between our progress and the well-being of the communities we serve. Our efforts focus on improving the lives of marginalized and less privileged individuals through initiatives in education, healthcare, communal progress, and environmental sustainability. We are dedicated to creating lasting prosperity for these communities.

Project Vidhya

Cantering its attention on fulfilling fundamental needs of children in rural areas throughout their educational journey, the IIL Foundation, an integral part of Insecticides (India) Limited's corporate social responsibility endeavours, has embarked on a progressive initiative. This initiative entails bolstering government schools by furnishing essential provisions to educational institutions situated in the Alwar district of Rajasthan, as part of their esteemed project 'Vidhya'.

- IIL Foundation, CSR wing of Insecticides (India) Limited (IIL), under its project Vidhya brings a new shade of life to students studying in Rajkiya Uchhmadhyamik Vidhayalaya, Jodiamev along with sitting furniture for classrooms and computer lab
- IIL Foundation, CSR wing of Insecticides (India) Limited (IIL), under its project Vidhya also works for basic health and sanitation facilities by providing the toilets at Rajkiya Uchhmadhyamik Vidhayalaya, Tapukhera





Farmer Awareness Project

With the intention of augmenting farmers' understanding of the effective application of crop protection chemicals, the CSR wing of IIL undertook a project named 'Advancing Agriculture Dissemination' in rural villages throughout India. In the framework of this initiative, the company conducted a comprehensive array of activities and awareness programs aimed at fostering both qualitative and quantitative improvements in the agricultural production systems.

Key activities undertaken under the project were Farmers' training and awareness programme and Farmers' field day – where in live demonstration were provided to the farmers. Major villages impacted Upeda, Sikheda, Tatarpur, and Dattiyana, spread across states of Uttar Pradesh.

IIL team explaining to the farmers on the benefits of using different crop protection chemicals

REWARDS AND RECOGNITIONS


National Good Laboratory Practice (GLP) Compliance Monitoring Authority (NGCMA)
Department of Science and Technology
GOVERNMENT OF INDIA

Certificate of GLP Compliance

This is to certify that

Sanskriti Research Foundation
Insecticides India Limited, E-443, 444, RIICO Industrial Area
Chopanki, Bhiwadi-301707, Alwar, Rajasthan (India)

is a GLP certified test facility in compliance with the NGCMA's Document No. GLP-101 "Terms & Conditions of NGCMA for obtaining and maintaining GLP certification by a test facility" and OECD Principles of GLP.

The test facility conducts the below-mentioned tests/ studies:

- Physical-chemical Testing (Including Five Batch Analysis)

The specific area of expertise and test item are listed in the annexure overleaf.

Validity: June 18, 2022 – June 17, 2025

Certificate No. : GLP/C-180/2022
Issue Date : 18-06-2022

(Dr. Ekta Kapoor)
Head, NGCMA

Export Excellence Award, 2023

FICCI India Chem Awards 2022


Excellence in Agriculture Award

BOARD OF DIRECTORS

Mr. H.C. Aggarwal
Chairman

Mr. Virjesh Kumar Gupta
Independent Director

Mr. Rajesh Kumar Aggarwal
Managing Director

Mr. Navin Shah
Independent Director

Mrs. Nikunj Aggarwal
Whole Time Director

Mr. S. Jayaraman
Independent Director

Mr. Anil Kumar Goyal
Whole Time Director

Mrs. Praveen Gupta
Independent Director

Mr. Anil Kumar Bhatia
Independent Director

Key Management Personnel

Mr. Sandeep Kumar Aggarwal
Chief Financial Officer

Mr. Sandeep Kumar
Company Secretary & Chief Compliance Officer

Board Comittees

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

C Chairman

M Member

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy overview

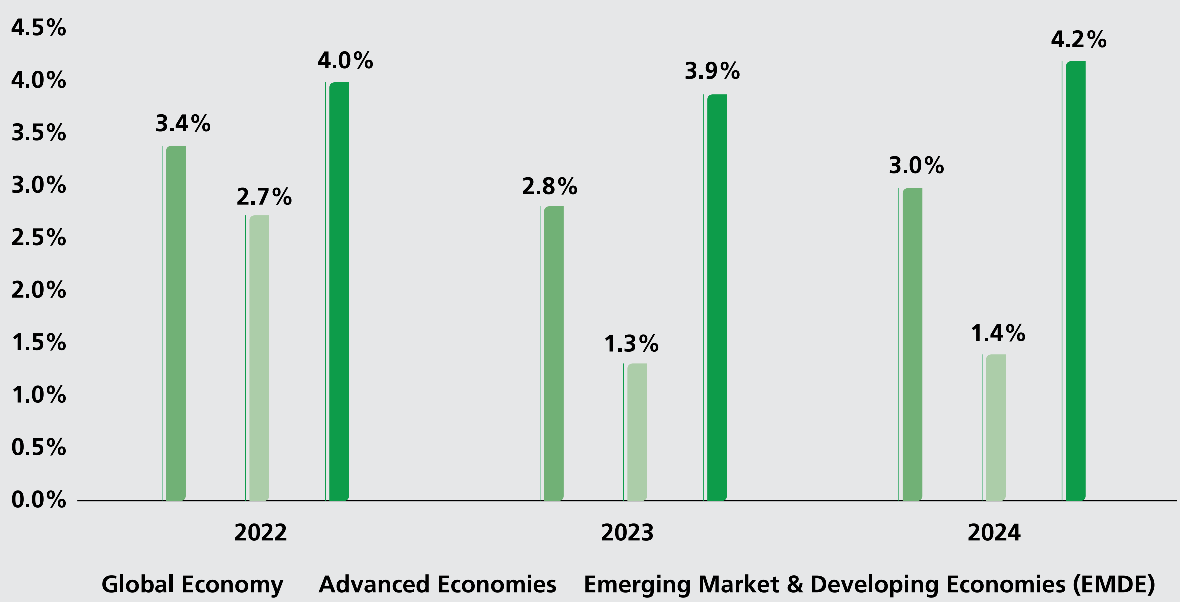
The year 2022 marked a significant milestone in the global economic recovery from the devastating impact of the Covid-19 pandemic. While the world witnessed substantial growth and stabilization, it also faced ongoing challenges stemming from the pandemic and geopolitical developments.

In 2022, the global economy experienced an estimated growth rate of approximately 3.4%. This growth was supported by a combination of effective monetary and fiscal policies, increasing vaccination rates, and the gradual easing of restrictions, which allowed for the resumption of economic activities. However, the pace of global recovery was hindered by various factors, including the Russian invasion of Ukraine, unprecedented inflation, a pandemic-induced slowdown in China, higher interest rates, a global liquidity squeeze, and quantitative tightening by the US Federal Reserve.

Consequently, global growth is projected to decline to 2.8% in 2023, as central banks raise interest rates to combat inflation and geopolitical issues continue to exert pressure on economic activity. Despite these challenges, the global economy continues to demonstrate resilience and modest improvement. However, it is important to note that these estimates fall below the long-term global growth average of 3.0%.

In 2022, the global economy experienced a significant rise in inflation due to various factors such as moderate spending, disrupted trade, and higher energy expenses. However, the situation began to change in the last quarter of 2022 when central banks responded by increasing interest rates, and fuel and energy commodity prices started to decrease. As a result, global headline inflation started to decline. Although the decline is happening at a slower pace than initially predicted, it is expected that global inflation will decrease from 8.7% in 2022 to 7.0% this year and further drop to 4.9% in 2024.

Global economic growth (real GDP growth in %)



(Source: https://www.imf.org/

The year 2022 witnessed significant progress in the global economic recovery, but it was not without its share of obstacles. While the world experienced notable growth and stabilization, it also grappled with ongoing risks arising from the pandemic and geopolitical developments. Looking ahead, the global economy is expected to face further challenges in 2023, leading to a slight decline in growth. Nonetheless, the global economy remains resilient, and although the estimates fall below the long-term average, there is still room for cautious optimism.

Outlook

While the balance of risks remains skewed towards the downside, there has been a moderation in these risks. There is a possibility of a stronger boost from pent-up demand in various economies or a faster decline in inflation. However, it is important to note that certain factors could exacerbate debt distress and lead to sudden repricing in financial markets. These factors include the rise in central bank rates to combat inflation, ongoing geopolitical conflicts, and the potential tightening of global financing costs. Therefore, it is crucial for most economies to prioritize achieving sustained disinflation. This necessitates the implementation of macro-prudential tools and the reinforcement of debt restructuring frameworks to maintain financial and debt stability.

In conclusion, the global economy is gradually recovering from the repercussions of the pandemic, and there are positive projections for inflation and growth in the upcoming years. Nevertheless, the persistent geopolitical and economic challenges continue to pose risks to the economy. To mitigate these risks effectively, it is imperative to adopt measures that are targeted and provide better fiscal support. Additionally, strengthening multilateral cooperation is essential to safeguard the gains from the rules-based multilateral system and attain sustainable economic growth.

Indian economy overview

India has once again demonstrated its unwavering determination and ability to achieve robust economic growth, even in the face of global uncertainties, persistent inflation, and ongoing geopolitical challenges.

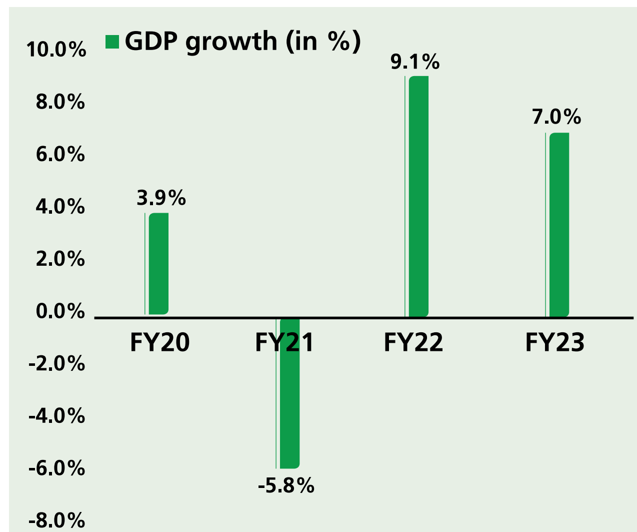
According to the latest report from the Ministry of Statistics and Programme Implementation, India's GDP is projected to grow by 7% in FY23, compared to 9.1% in FY22. This slight decrease in the year-on-year growth rate can be attributed in part to the fading of pandemic-induced base effects, which had contributed to higher growth figures in the previous fiscal year.

The government's substantial capital expenditure disbursements, along with the recovery in auto sales and improved capacity utilization at a macro level, have played a crucial role in driving India's economic progress. The Centre for Monitoring Indian Economy (CMIE) reported that new projects worth ₹6 trillion were announced in the December quarter, marking a significant 44% increase compared to the previous year. Additionally, India's exports surged by 14% to reach a record US$770 billion in FY23, primarily driven by the services sector. However, imports reached a new peak of US$892 billion due to subdued demand for goods amid global challenges.

Looking ahead, the World Bank expects India's GDP growth to moderate to 6.3% in FY24, mainly due to a sluggish recovery in private capital expenditure and a projected decrease in urban consumption. Furthermore, the recent increase in interest rates by the central bank (with the benchmark repo rate raised by 250 basis points between May 2022 and February 2023) is anticipated to impact private sector performance and capital expenditure. The International Monetary Fund (IMF) has also revised its GDP growth estimate for India in FY24 to 5.9%, down from its initial projection of 6.1%.

As India forges ahead, it is essential to acknowledge the challenges that persist, such as inflationary pressures and geopolitical fractures. These factors necessitate a proactive approach from policymakers and stakeholders to ensure sustainable and inclusive growth. By addressing these challenges head-on, India can further strengthen its economic foundations and create an environment conducive to long-term prosperity.

India's economic growth



Source: https://www2.deloitte.com

Despite high inflation, the Indian economy achieved a remarkable GDP growth rate of ~7% in FY23. This impressive performance can be attributed to the sustained growth in GST collections, electronic toll collections, and the volume of e-waybills generated, all of which indicate a promising momentum. Furthermore, key indicators of manufacturing activity, such as the PMI-manufacturing, the Index of Industrial Production, and the Index of Core Industries (ICI), demonstrate a steady growth in this sector. Similarly, indicators of the services sector, including UPI transactions and high credit demand, also point towards sustained expansion.

In order to foster a virtuous cycle of infrastructure investment and job creation, the Union Government has significantly increased the capital expenditure outlay to ₹10 lakh crore, representing a remarkable 33% increase compared to the previous year. This substantial boost in infrastructure spending, particularly in tier II and tier III cities, is expected to have a profound impact on the Indian economy, generating new employment opportunities and stimulating overall growth. Overall, the demand conditions in India remain favorable for supporting economic activity. As we approach the coming financial year, India stands with confidence, underpinned by a foundation of macroeconomic stability. However, it is important to remain vigilant against potential political and geo-economic risks that may arise.

Outlook

According to projections from the World Bank, India's GDP is expected to grow by 6.3% in FY24, driven by domestic demand and increased public investment. Additionally, there is a possibility of a decline in India's retail inflation rate from 6.6% to 5.2% in FY24. This growth is likely to be supported by various factors such as broad-based credit expansion, improved capacity utilization, and a reduction in trade deficits.

The government's implementation of production-linked incentive schemes is expected to provide further momentum to the economy, particularly benefiting downstream sectors. Despite an increase in interest rates, the outlook for private business investment remains positive. Moreover, India's economy has minimal exposure to Chinese economic weakness, which helps protect its long-term growth prospects.

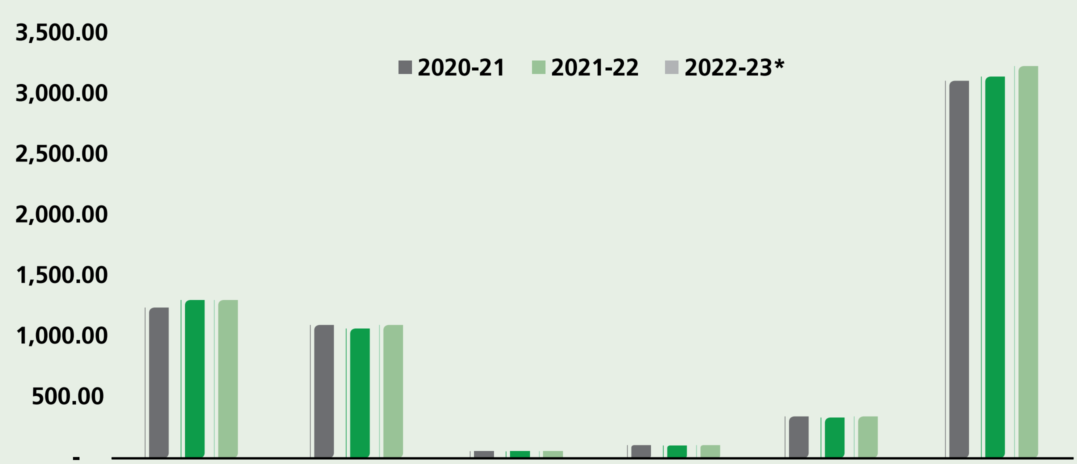
With broad-based credit growth, improved capacity utilization, and the government's focus on capital spending and infrastructure development, investment activity is expected to receive a significant boost. As a result, firms operating in the manufacturing, services, and infrastructure sectors are optimistic about their business outlook. However, there are some downside risks to consider, including prolonged geopolitical tensions, tightening global financial conditions, and a slowdown in external demand.

Indian agriculture industry

The agriculture industry holds a crucial position in the Indian economy as it encompasses activities related to the production, processing, and distribution of agricultural products. It serves as a significant source of employment, engaging approximately 54.6% of the workforce involved in agriculture and related sectors. India stands among the prominent global producers of various agricultural commodities, including rice, wheat, cotton, sugar, horticulture, and dairy. These contributions have led the Indian agriculture industry and its associated sectors to contribute approximately 17.8% to the country's gross value added (GVA).

The Indian agriculture industry, valued at approximately ₹80,000 billion in 2022, is projected to reach ₹1,58,991 billion by 2028, demonstrating a remarkable compound annual growth rate (CAGR) of 12.2%. In FY23, exports of agricultural and processed food products witnessed a 9% increase, amounting to $26.3 billion, driven by a surge in the shipment of rice, fruits, and vegetables.

India's growing agri production (in lakh tonnes)



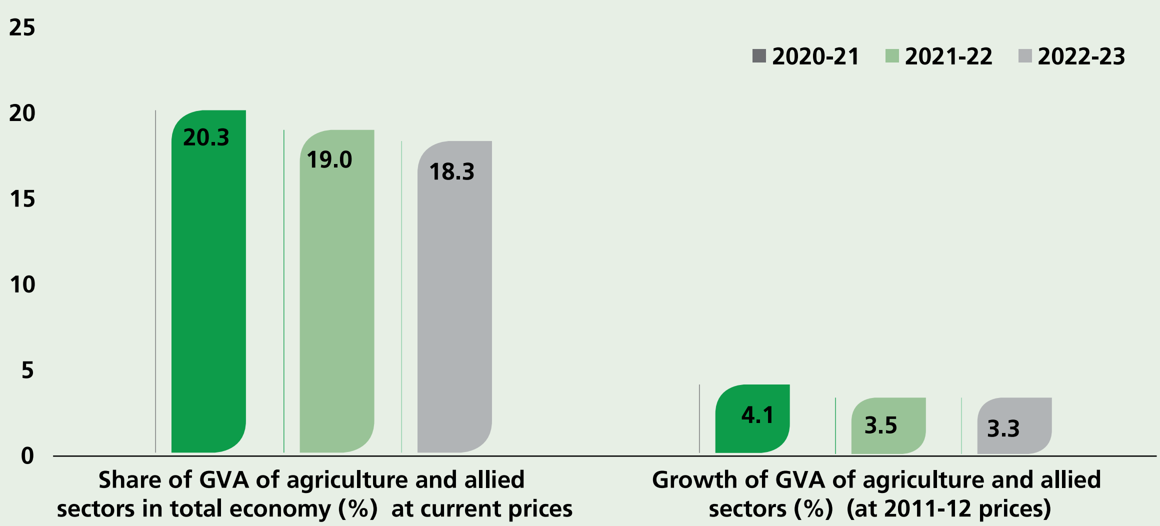
	Rice	Wheat	Jowar	Bajra	Maize	Total foodgrains
2020-21	1,243.68	1,095.86	48.12	108.63	316.47	3,107.42
2021-22	1,294.71	1,077.42	41.51	97.81	337.30	3,156.16
2022-23*	1,308.37	1,121.82	40.75	97.85	346.13	3,235.54

Source: https://static.pib.gov.in

The agriculture industry in India is a multifaceted and expansive sector, encompassing a wide range of sub-sectors and segments. These include crop production, livestock production, agricultural technology, food processing, agricultural inputs such as seeds, fertilizers, and pesticides, as well as agricultural services, equipment, trade and distribution, and retail.

As the industry continues to evolve and expand, it presents a plethora of opportunities for the industry stakeholders. The remarkable growth rate and increasing exports highlight the immense potential and significance of the Indian agriculture industry on a global scale. Furthermore, the industry's diversity and breadth contribute to its resilience and ability to adapt to changing market dynamics. This adaptability, coupled with advancements in technology and innovation, positions the Indian agriculture industry as a key player in meeting the growing demands of a rapidly evolving world.

Contribution of Agricultural Sector in GDP



Source: https://www.pib.gov.in

In the recent years, the Indian agriculture industry has undergone remarkable growth thanks to the introduction of new technologies and practices aimed at enhancing productivity, sustainability, and efficiency. Many prominent players are actively promoting the utilization of unmanned aerial vehicles (UAVs) and drones equipped with advanced imaging sensors and cameras. These cutting-edge devices capture high-resolution aerial images, providing farmers with valuable insights into various aspects such as crop health, nutrient deficiencies, and pest infestations. Additionally, several companies are introducing state-of-the-art drip irrigation systems, precision farming solutions, and water management technologies. These innovations assist farmers in optimizing water usage, improving irrigation efficiency, and fostering sustainable farming practices, thereby bolstering the overall market growth.

Furthermore, the market is witnessing a steady rise in research and development initiatives and increased investments. These efforts lead to the development of improved technologies, enhanced supply chain systems, and the utilization of organic materials in the manufacturing process, resulting in the production of high-quality agricultural products. Moreover, the industry is experiencing rapid advancements, including the integration of artificial intelligence (AI) and machine learning (ML) algorithms in agriculture. These advanced technologies enable the analysis of large datasets, prediction of crop yields, optimization of resource allocation, and early detection of plant diseases. These transformative capabilities are driving the growth of the market even further.

Key budget announcements for Indian agriculture industry, 2023-24

The Union Budget 2023-24 provided higher impetus on regenerative agriculture, inclusive growth, improved access to agriculture credit, and better-quality agriculture inputs, digitization, and technological development.

Announcements	Impact
Increased agriculture credit allocation to 20 lakh crores: The agriculture credit target has increased to ₹20 lakh crores, with the focus on animal husbandry, dairy and fisheries about 11% higher than Union Budget 2022. In addition, 63,000 Primary Agricultural Credit Societies are being digitized with an investment of ₹2,516 crores.	The agri credit outlay and the digitization of agri credit societies are expected to enable inclusive farmer-centric solutions and help improve access to farm inputs and infrastructure.
Accelerator agriculture fund of ₹2,200 crores: An agriculture accelerator fund to encourage agri-tech startups by young entrepreneurs in rural areas will focus on bringing innovative solutions to challenges faced by farmers. It will also bring modern technologies to transform agricultural practices and increase productivity and profitability.	With about ₹6,600 crore raised by the agri-tech startup space in the last four years, a unique accelerator fund is expected to boost the technological transformation in the agriculture sector through farmers' access to technologies, improving farm incomes.
Sub-scheme under PMMSY Scheme: A new sub-scheme of Pradhan Mantri Matsya SAMPADA Yojana will be launched with a targeted investment of ₹6,000 crore to further enable activities of fishermen, fish vendors, and micro and small enterprises. It will also improve value chain efficiencies and expand the market.	Improved access to infrastructure for the fisheries and the aquaculture sector
Improved Access to Better-quality Agri Inputs: PM-PRANAM will be launched to incentivize states to promote alternative fertilizers. In addition, over the next three years, one crore farmers will get assistance to adopt natural farming, and 10,000 bio-input resource centers will be established. To further improve the availability of disease-free and high-quality planting material for high-value horticultural crops, the Atmanirbhar Clean Plant Programme was announced with an outlay of ₹2,200 crores.	The PM PRANAM Scheme, with the provision for bio-input resources, is expected to incentivize states, Union Territories, and farmers to promote alternative fertilizers (including organic fertilizers) and the balanced use of chemical fertilizers. Access to disease-free quality plant inputs will facilitate diversified agriculture through increased horticulture production.
Improved Access to Agri Infrastructure and Storage: The government plans to set up massive, decentralized storage capacity to help farmers. A Digital Public Infrastructure for Agriculture is expected to be created as an open source, open standard, and interconnected general welfare.	Setting up accessible storage will enable farmers to sell at an appropriate time, enhancing price realization. It will make it possible for solutions that are inclusive of farmers and help to increase access to farm inputs, market intelligence, and support for startups in the agriculture sector.

Key demand drivers for the Indian agriculture sector

Rising demand for agricultural products: Population growth drives the agriculture market as demand for food and agricultural products increases. Rising rural and urban incomes, coupled with changing dietary patterns, support this growth. The market is further fueled by the increased demand for protein-rich foods like meat, dairy, and poultry products. Additionally, the need to convert natural landscapes into agricultural areas to meet the growing food demand drives market growth.

Government initiatives to promote agriculture: The Indian government is also playing a key role in promoting the growth of the agriculture industry. The government has launched a number of initiatives to improve agricultural productivity, such as the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and the Pradhan Mantri Fasal Bima Yojana (PMFBY). These initiatives are helping to improve the overall health of the agriculture sector and create new opportunities for growth.

India's rising population: India has emerged as the most populous country in the world overtaking China, with a population of over 1.43 billion people. This large and growing population is putting a strain on the country's food production system. However, it also presents an opportunity for the agriculture industry to grow and meet the needs of this growing population.

Increasing use of technology in agriculture: The use of technology in agriculture is also helping to drive growth in the sector. The use of drones, sensors, and other technologies is helping farmers to improve crop yields, reduce costs, and manage risks. This is leading to a more efficient and productive agriculture sector, which is creating new opportunities for growth.

Growing export opportunities: India has a significant export potential in the agriculture sector. With a diverse range of agricultural products and a growing focus on quality standards, Indian farmers and exporters are capitalizing on international market opportunities. The expansion of export markets further stimulates growth and provides avenues for increased revenue and profitability.

Increasing investment in agricultural research and development (R&D): The Indian agriculture industry is currently witnessing a steady rise in research and development endeavors. Substantial investments in R&D initiatives are driving the deployment of enhanced technologies, improved supply chain systems, and the utilization of organic materials for the production of top-notch agricultural goods. These remarkable advancements are bolstering productivity, elevating product quality, and fostering overall growth within the industry.

Key challenges for the Indian agriculture industry

Small and fragmented landholdings: The average farm size in India is very small, with around 85% of farms being less than 2 hectares in size. This makes it difficult for farmers to be profitable, as they cannot take advantage of economies of scale.

Inadequate irrigation systems: India has a large irrigation network, but it is inefficient and underutilized. This means that a lot of water is wasted, and farmers do not get the water they need when they need it.

Low use of technology: Indian farmers use less technology than farmers in other countries. This means that they are less productive and less able to adapt to changing market conditions.

Low prices for agricultural produce: The prices that farmers receive for their produce are often low, which makes it difficult for them to make a profit. This is due to a number of factors, including oversupply, competition from imports, and government policies.

Inadequate access to credit: Many farmers in India do not have access to credit, which makes it difficult for them to invest in their farms. This can lead to low productivity and increased vulnerability to shocks.

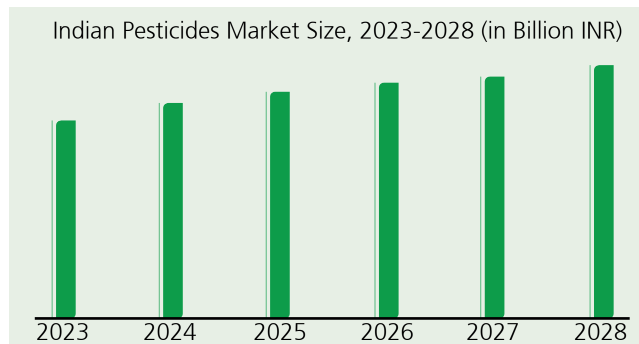
Climate change: Climate change is a major threat to agriculture in India. Rising temperatures, changing rainfall patterns, and more extreme weather events are all having a negative impact on crop yields.

Indian agrochemicals industry

The Indian agrochemicals industry, ranking fourth in global production, is widely recognized as a leading producer of agrochemicals. It has emerged as an ideal destination for export-oriented agrochemical manufacturing. Agrochemicals have become increasingly important in India over the past several decades due to the need to increase agricultural production and guarantee enough food for the increasing population. **According to the Federation of Indian Chambers of Commerce and Industry (FICCI), the Indian government acknowledges the agrochemical industry as one of the top 12 sectors poised for global leadership, projecting growth rates ranging from 8% to 10% until 2025.**

A report by the research firm Crisil indicates that India's agrochemical sector is expected to have clocked a growth rate of 15 – 17% in FY23, primarily fuelled by robust exports and stable domestic demand. While this growth rate is commendable, the sector witnessed a remarkable 23% expansion in the fiscal year ending in 2022. In the past decade, India has consistently been at the forefront of the chemicals and agrochemicals domain, primarily due to China's stringent environmental regulations in 2015, which disrupted global chemical supply chains. Looking ahead to FY24, the industry is forecasted to sustain a growth rate of 10% - 12%, benefiting from the "China plus one" strategy adopted by international players and the expiration of patents on key molecules. In India, about 15-25% of potential crop production is lost because of pests, weeds, and diseases. The need for improving crop productivity with a focus on the effective use of pest control measures and the adoption of weed management practices has been recognized as an important factor in increasing agricultural output. These factors are aiding the use of agrochemicals in agriculture to increase output and also is expected to drive growth of the industry.

Growth of the Indian agrochemical market



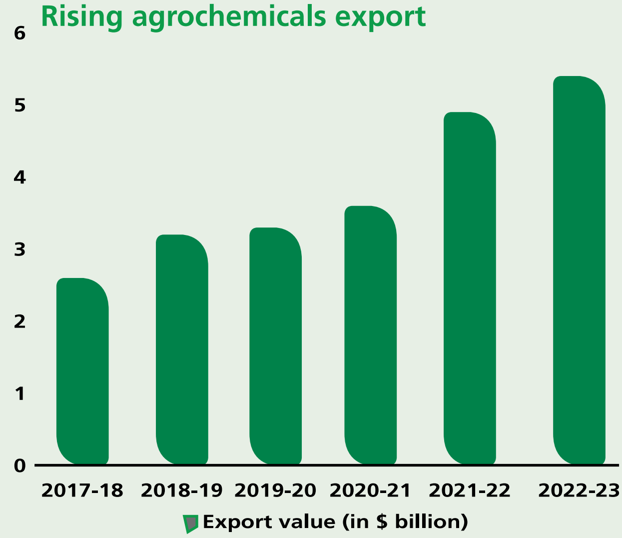
Source: https://www.imarcgroup.com

Projected to reach approximately USD 36.84 million by 2028, the Indian agrochemicals industry is currently valued at around USD 30.28 million in 2023. This growth can be attributed to various factors, including the country's expanding population, increased governmental support, limited usage of agrochemicals, decreasing arable land, and crop losses caused by pest infestations. Moreover, India's relatively low consumption of agrochemicals per hectare (0.6kg/hectare compared to the global average of 2.6kg/hectare) is expected to drive further progress. To bolster agricultural production, the Indian Government has implemented numerous schemes aimed at encouraging the adoption of agrochemicals, leading to widespread awareness among farmers regarding their proper application and advantages. As a result, the industry expects to see a significant surge in the demand for agrochemicals.

Rising agrochemicals export from India

India, being the third-largest exporter of agrochemicals, has witnessed a significant surge in its agrochemicals export, reaching an unprecedented milestone of US$5.4 billion (₹43,223 crores) in FY23. This impressive figure represents a notable increase from the previous financial year's export value of US$4.9 billion (₹36,521 crores). According to data released by the Indian Ministry of Commerce, India's agrochemicals export doubled over the last six years, soaring from US$2.6 billion in 2017-18 to its current value of US$5.4 billion in FY23. This growth translates to an impressive Compound Annual

Rising agrochemicals export



Source: https://news.agropages.com

Growth Rate (CAGR) of 13%, placing it among the highest in the manufacturing sector. In light of this achievement, India now holds the distinguished position of being the world's third-largest exporter of agrochemicals, following China and the USA, while excluding the European Union.

Growth drivers for the Indian agrochemicals industry

- The total available arable land per capita has been reducing in recent years as a result of increasing urbanization levels and is expected to reduce further in the coming years. Driven by rising population levels, food demand is expected to continue increasing in the coming years. We expect pesticides to play a key role in increasing the average crop yields per hectare.
- One key driver of India's growth in the agrochemical sector is the backward integration of production processes. Indian companies have been investing in the production of off-patent molecules and reducing their reliance on imports from China.
- Both government and private initiatives are increasing the awareness of pesticides among farmers. Initiatives to educate farmers on the right usage of pesticides in terms of quantity, the right application methodology and appropriate chemicals to be used for identified pest problems, etc. are currently being conducted in various parts of the country.
- The penetration levels of pesticides in India are significantly lower than other major countries such as the US and China. This suggests that the market for pesticides is still largely unpenetrated with a huge room for future growth.
- The Indian government is promoting the use of latest technology in the Indian agriculture industry to ensure the nation's food security.

Outlook

The Indian agrochemical industry has a promising future due to several important factors. Firstly, agriculture plays a crucial role in the economy and the government is focused on reforms, increased budget allocation, and supportive policies. This creates a favorable environment for the industry. Secondly, there is a growing need to enhance agricultural productivity and ensure food security, which drives the demand for agrochemicals. The adoption of advanced farming technologies and practices is also increasing, creating a market for innovative solutions. Additionally, Indian agrochemical products have export potential and are gaining recognition in global markets. However, the industry faces challenges such as environmental concerns and strict regulations. Balancing productivity with sustainability will be important for its long-term success. Overall, with government support, increasing demand, advanced technologies, and export opportunities, the Indian agrochemical industry is expected to grow and contribute to agricultural productivity and sustainability.

Government initiatives to provide credit facilities to farmers in the rural areas is expected to provide a strong boost to the pesticides industry. Increasing availability and low interest rates of farm loans are expected to encourage farmers to use more pesticides in order to improve crop yields.

Opportunities and challenges for the Indian agrochemical industry

Opportunities

Feeding the growing India and global population. With rising population, the government is focused on the food security of the nation.

Protecting crops and increasing yields are essential for ensuring food security and supporting economic growth. By minimizing losses caused by pests, diseases, or environmental factors, the government can maintain a stable and sufficient food supply.

The anticipated development of precision farming is likely to revolutionize the present-day farming techniques. Precision farming adopts a holistic approach aimed at preserving the well-being of fields and soil, with an emphasis on enhancing both the quality and quantity of yield while minimizing environmental impact. It is anticipated that this will lead to an increase in the utilization of agrochemicals.

Agrochemicals play a crucial role in addressing climate change by enabling more sustainable agricultural practices through integrated pest management and precision agriculture approaches.

Challenges

Increasing stringency of regulatory requirements. The slow pace of registration process for new molecules is a major challenge for the agrochemical industry. This leads to high R&D and time costs, which makes it difficult for companies to launch new products.

Pests are becoming increasingly resistant to pesticides, which is making it difficult to control pests and protect crops. This is a major challenge for the agrochemical industry, and it is one that is likely to become more significant in the years to come.

Agrochemical inventories have been at elevated levels after the kharif season, because of the erratic rainfalls and weak demand. This has led to higher sales returns and a decline in profitability for agrochemical companies.

The market and customer requirements are undergoing accelerated pace of change within and in adjacent markets. With regulations becoming stringent, it could be difficult to meet the requirement within the stipulated time.

Company overview

Insecticides (India) Limited, commonly known as IIL or the Company, was established in 2001 in Delhi, India by the visionary Mr. H. C. Aggarwal and Mr. Rajesh Kumar Aggarwal. Since its inception, IIL has evolved itself to establish itself as a prominent leader in the field of crop protection and nutrition in India. With humble beginnings as a single formulations manufacturing entity, the Company has flourished into a diverse enterprise, specializing in crop protection and proudly owning the renowned Tractor Brand.

IIL has created a strong presence throughout India and operates nine cutting-edge manufacturing facilities to produce a diverse range of crop protection products. The company has made substantial investments to enhance its manufacturing capabilities and capacities, positioning itself at the forefront of competition. By aligning its production capabilities with the evolving demands of the market, IIL has gained a competitive advantage. Our company specializes in manufacturing and marketing a wide array of products, including Insecticides, Herbicides, Fungicides, and Biological & PGR. Within their respective categories, our well-established and highly regarded brands such as Green Label, Pulsor, Hakama, Hachiman, Shinwa, Dominant, Monocil, and Mycoraja have earned recognition and trust.

IIL's state-of-the-art manufacturing facilities are optimized for operations, resulting in cost leadership in its product offerings. Over the years, IIL has developed a number of differentiated products with unique characteristics that have significantly enhanced customer experiences.

IIL endeavours to be an international brand that is accessible, affordable, and acclaimed for its great quality. In accordance with this objective, it has ensured the highest level of product quality, offered competitive pricing, and substantially expanded its distribution capabilities by expanding its network as well as implementing cutting-edge technologies. This strategic approach has enabled IIL to develop an integrated portfolio across four key product categories: insecticides, herbicides, fungicides, biologicals, and plant growth regulators (PGRs). Through this comprehensive portfolio, IIL aims to serve both domestic and export markets, actively contributing to the 'Make in India' initiative while fostering sustainable growth for a safer and brighter future.

Key strengths

Comprehensive in-house research and development capacities

The Company's greatest strength lies in its dedication to research and development, which empowers it to establish a formidable competitive edge in the market. IIL proudly boasts four cutting-edge, state-of-the-art R&D facilities, where a team of experts tirelessly works on developing new products and processes that align with emerging trends, refining production processes, and enhancing the composition of its existing portfolio. In recent times, the Company has placed a significant emphasis on the creation of sustainable products that exhibit minimal environmental impact and align with global standards.

During the fiscal year 2022-23, as input costs sharply rose and uncertain inventory situation, the Company tactfully adopted a calibrated strategy for introducing new products. Additionally, the Company embarked on a unique initiative to discover innovative products in India through a joint venture with the esteemed Japanese company, OAT Agrico Co. Ltd. With a strong focus on quality research and development endeavors, IIL has successfully bolstered its presence across various product categories. The Company has made substantial investments in state-of-the-art technology, modern equipment, and a highly skilled team to amplify the effectiveness of its innovation drive. The team of experienced professionals at IIL possesses exceptional technical expertise in advanced technologies and chemistry platforms.

Meticulously planned sales and distribution

IIL's strategy is to increase market share by entering new markets, increasing brand awareness, and implementing product innovation initiatives, all of which are supported by our enhanced distribution. We invested in different brand building initiatives through various advertising and promotion activities, including television, digital campaign and brand awareness activities with our end users.

IIL has made significant developments in terms of distribution, and its products are available in over thousands of retail outlets through a network of 70,000 dealers and stockists. In addition, as part of its strategy to expand its rural reach and expedite its distribution, the Company has rolled out the many value-added services for the farmers to connect effectively with the farmers and help them grow. The robust distribution reach and infrastructure of IIL has enabled it to achieve success in terms of gaining market share.

Incorporating effective and sustainable solutions

IIL has been taking proactive steps to ensure the environmental sustainability of its operations. The concept of sustainability is becoming more important on a worldwide basis. With a strong emphasis on reducing its carbon footprint, the Company maintains a 30% green cover and has invested in energy-efficient measures, including renewable energy investments. We invested in renewable energy by installing solar power plants at our plants, which contributes ~9% of total electricity consumption.

Additionally, at IIL, we implemented a zero liquid discharge (ZLD) system across our three plants (Chopanki, Udhampur and Sambha). This initiative enables us to efficiently treat and recycle every droplet of water employed in both our manufacturing and domestic operations, thus guaranteeing an unparalleled safeguarding of our precious environment. Through an intricate series of processes, our state-of-the-art sewage treatment plant meticulously purifies domestic effluents, ingeniously repurposing them for the nurturing of vibrant gardens. Simultaneously, our industrious effluent treatment plant diligently processes all industrial effluents, ensuring their comprehensive transformation into harmless byproducts. With our unwavering commitment to sustainability, IIL paves the way for a future where every droplet counts.

Creating a brand presence through dedicated branding and marketing initiatives

The Company thrives in an intensely competitive landscape, where the failure to differentiate its products or connect with the right audience can have dire consequences on market share and profitability. As a discerning business entity, we embrace a proactive approach, wholeheartedly investing in a comprehensive brand-building endeavor that encompasses triumphant promotional campaigns and captivating customer interactions across multiple touchpoints. This meticulous effort has yielded an integrated communication strategy, seamlessly harmonizing all facets of our operations.

To amplify our visibility, we have enlisted the support of distinguished Bollywood personalities, who endorse our products and elevate our presence in the public eye. Moreover, we have pioneered a standardized template for our product range and introduced a distinctive bottling mechanism that sets IIL apart from its competitors, establishing our innovation as a hallmark of excellence.

As an additional safeguard against counterfeit products and competitors, the Company is in the process of implementing QR code tagging across its product range, ensuring unrivalled authenticity and reinforcing consumer trust.

Quality focus

At IIL, we embrace the belief that "**Quality is the cornerstone of Sustainability**." To uphold this principle, we have established a meticulous validation and qualification framework. This ensures that our systems, facilities, and processes are meticulously designed and developed to meet the requirements of our valued customers, while also complying with the regulations of the countries where we operate.

Our unwavering dedication lies in delivering products that not only astonish our customers but also conform to the safety and quality standards mandated by the law. To maintain our commitment to quality, we have implemented comprehensive training procedures, systems, and internal standard operating procedures (SOPs). These are specifically designed to enhance the skills and knowledge of our employees, encompassing regulatory guidelines, new product advancements, and internal protocols. Continual improvement of our quality systems remains our top priority, ensuring that we adapt to ever-evolving regulations. By proactively staying ahead of the curve, we consistently meet the evolving demands for crop protection while complying with regulatory standards.

FY23 Financial performance review

Despite the agrochemicals industry facing significant external challenges during FY23 along with the inventory issue, we are pleased to report a positive revenue growth. The operating environment proved to be quite challenging, with a convergence of adverse factors such as volatile raw material prices and a buildup of high-value inventory throughout the year. Nonetheless, we are delighted to announce a positive outcome in terms of revenue.

Nevertheless, we are delighted to announce that the Company achieved a commendable growth of 19.77% in its top-line, reaching ₹180.13 millions in FY23, compared to ₹150.39 millions in FY22. Despite our Profit After Tax (PAT) standing at ₹6.29 millions, lower than the previous year's ₹107.02 millions, which can be attributed to [refer page 1 of board report], we remain confident about our outlook for the coming year. Our primary focus remains on achieving a better product mix, capitalising on economies of scale through our new capacity addition at Chopanki (Rajasthan), and regaining on both top line and bottom line.

Key Financial Ratios

Ratios	FY23	FY22	% Change	Reason
Debtors Turnover	6.16	5.53	11.39%	-
Inventory Turnover	1.86	1.72	8.14%	-
Interest Coverage Ratio	7.22	22.25	-67.55%	Enlargement in borrowing along with reduction in profit has resulted to decline in the ratio.
Current Ratio	1.62	1.97	-17.77%	-
Debt-Equity Ratio	0.17	0.06	183.33%	Enlargement in borrowings has lead to increase in the ratio.
Operating Profit Margin (%)	6.77	11.28	-39.98%	Lower of profit has lead to decline in the ratio.
Net Profit Margin (%)	3.50	7.12	-50.84%	
Return on Net worth – RoNW (%)	6.88	12.34	-44.25%	

Note: Other important ratio's are also provided at Note No. 49 of standalone financial statement

Our risk management process

Identification and assessment approach	Prevention and control strategy	Monitoring	Reviewing and reporting on the risk
Forecasting and calculating the probability of occurrence, magnitude, category and rating of the risk.	Devising plan of actions to prevent risk, temper its strength and reduce its aftermaths.	Gauging the potency of controls, reacting to the revelations and continuously honing the method.	Overseeing the process at regular intervals (at least annually).

Risk management

The Company has a risk management committee that identifies internal and external risks that are particular to the business, such as financial, operational, sectoral, sustainability-related risks (especially those involving ESG), informational, cybersecurity and other risks. The committee is in charge of overseeing and directing the implementation of the risk management policy. The risk management committee reviews the risk management policy regularly and recommends any modifications to the risk management approach. A thorough risk-management framework allows us to pre-emptively monitor risks emanating from the internal and external environment. As a result, we have been able to consistently create value for all our stakeholders, despite industry cycles and economic headwinds.

Our risk mitigation plan

The Board takes the following steps as a part of its risk management and mitigation plan:

- Defines the roles and responsibilities of the Risk Management Committee
- Participates in major decisions affecting the organization's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

Here are some of the key risks and mitigation strategies adopted by the company

Risks	Mitigation Strategies
Regulatory challenges Ensuring compliance with regulatory and ethical obligations is of utmost importance. The dynamic nature of the regulatory environment has led to increased scrutiny and higher expectations from stakeholders regarding compliance. Failing to comply with regulations can adversely affect the Company's operations and reputation.	The Company has a robust compliance management system in place to ensure awareness and compliance. The Company has invested in processes and procedures that are accessible to all employees with the intent of fostering compliance throughout the workplace. The roles and responsibilities have been clearly defined to guarantee precise scrutiny and compliance.
Supply chain challenges and rising input costs Business operations are susceptible to disruptions in the supply chain, which can impact the Company's operations. If the cost of manufacturing rises, margins can be adversely affected by increasing input costs.	The Company is exploring alternative sources of raw materials to ensure a reliable and cost-effective supply chain, mitigating the uncertainties associated with global supply chains.

The Company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more departments. Second-level positions are created in each department to continue the work without any interruption in case of nonavailability of functional heads. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. Effective steps are being taken to reduce the cost of production on a continuing basis, taking various changing scenarios in the market.

Internal control system and adequacy

The Company has in place strong internal control procedures commensurate with its size and operations. The Company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardizing operational processes. The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organizational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

Human resource

Our intellectual capital is the foremost asset of our business and the satisfaction of team members within the organisation is a major factor in its prosperity. IIL thinks that the Company is governed by its people resources and our success is directly dependent on the success and growth of our people. Our commitment is to create an environment where personal growth is encouraged and supported in an inviting and secure atmosphere. In addition, the Company has often emphasized the importance of having a diverse team on board and cherishes each individual's input. Our aptitude for recognizing, enrolling, and preserving skill has propelled our expansion significantly. Our human capital is our greatest tool for shaping the future of the Company and is also critical for our smooth functioning.

The group's strength resides in working and growing as a team. Training and skill development are critical for contributing to the overall growth of personnel and the organisation. The Company organises training and development sessions for its workforce, motivating and empowering them to unleash their full potential. Further, we focus on following a flat communication structure to make it a lucid one when it comes to the employees sharing their view with the management. Such initiatives aid in the recruitment and retention of top talent across the sector and this has helped the Company enjoy the support of committed and well satisfied human capital. The Company has implemented important HR initiatives and people management practices effectively. As of 31st March 2023, the total workforce of IIL is well over 1,400 employees.

Health and safety measures

The well-being and safety of our personnel is our utmost priority. We understand that a secure and healthy work environment is not only crucial for our team's welfare but also vital for the sustainable success of our Company. With this in mind, we have established comprehensive health and safety policies and procedures, accompanied by regular training and awareness programs for all our staff. We actively strive to identify and minimize any potential occupational health and safety risks across our operations. By placing a strong emphasis on occupational health and safety, we are cultivating a safety-centric culture that enhances the well-being of our employees.

To effectively identify and address health and safety hazards while elevating our performance in these areas, we have implemented a range of safety measures throughout our corporate office and manufacturing facilities. At our facilities, all contractors and workers undergo rigorous safety training and participate in drills. Moreover, our manufacturing facilities hold certifications for their adherence to occupational health and safety management systems and ISO 45001 standards.

Cautionary statement

The statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & 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, 2023.

1. Financial Results and State of Company's Affairs

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2022-23	Financial Year 2021-22
Income				
Revenue from operations	1801.32	1,503.96	1801.32	1,503.96
Other income	1.26	4.27	1.26	4.27
Total income	**1802.59**	**1,508.23**	**1802.59**	**1,508.23**
Expenses				
Operating expenditure	1679.44	1,334.28	1679.44	1,334.28
Depreciation and Amortization expense	26.10	26.35	26.10	26.35
Total expenses	**1705.53**	**1,360.63**	**1705.54**	**1,360.63**
Profit before finance costs, exceptional item and tax	**97.05**	**147.60**	**97.04**	**147.60**
Finance costs	13.45	6.63	13.45	6.63
Profit before exceptional item and tax	**83.60**	**140.97**	**83.59**	**140.97**
Exceptional item	0.00	0.00	**0**	0.00
Profit before tax	**83.60**	**140.97**	**83.59**	**140.97**
Tax expense	20.61	33.94	20.61	33.94
Profit for the year	**62.98**	**107.02**	**63.21**	**107.02**
Opening balance of retained earnings	**768.03**	**661.24**	**770.43**	**663.22**
Closing balance of retained earnings	**815.65**	**768.03**	**818.25**	**770.43**
Earnings per share (EPS)				
Basic (In ₹)	21.28	36.04	21.36	36.17
Diluted (In ₹)	21.28	36.04	21.36	36.17

During the year under review

- Revenue from Operation has recorded a growth of 19.77% from ₹1,503.96 Crore in FY22 to ₹1,801.32 Crore in FY23 mainly attributed to growth in the volume of sales despite price corrections in the market. Increase in revenue was largely driven by our focus on increasing the share of Maharatna Products, Healthy contribution of Maharatna Products highlights the strength of our marketing team and sales partners to sell our premium products. Among them, Hachiman and Japanese patented Shinwa are the biggest contributor to our product sales
- The EBITDA stood at ₹121.88 Crore in FY23 as compared to ₹169.67 Crore in FY22. The Company's EBITDA margins turned negative and stood at (-)9.37%, primarily due to liquidation of high-cost inventory and forex losses from foreign transactions.
- Net profit stood at ₹ 62.98 Crore in FY23, compared to ₹107.02 Crore in FY22

2. Dividend

Your directors are pleased to inform that your Company has a consistent track- record of dividend payment. In line with the Dividend Distribution Policy, and in compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Company paid an Interim Dividend of ₹3/- (30%) per equity share having face value of ₹10/- each for the financial year 2022-23. The aforesaid payment of Interim Dividend may be treated as Final Dividend for the Financial Year 2022-23.

In the line of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 and stated above the Dividend Distribution Policy is available on the website of the company https://www.insecticidesindia.com/policies/

3. Change in equity share capital

The Board of Directors of the Company at their meeting held on August 20, 2022 approved the issue of Bonus Equity Shares in ratio of '1(one) new equity share for every 2 (two) existing equity shares held', The members vide their resolution dated September 23, 2022 approved the aforesaid proposals.

The paid up equity share capital of the company as on March 31, 2023 is ₹29,59,78,370/- comprising of 29597837equity shares of ₹10/- each; whereas paid up Equity Share Capital of the Company as on March 31, 2022 was ₹19,73,18,910/- comprising of 19731891 equity shares of ₹10/- each.

Apart from the above, there was no change in the Company's Share Capital during the year under review.

4. Credit Rating

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

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

5. Award and Recognitions

Your company has received accolades from various industry platforms in the fields of exports, management, and leadership within its sector. These achievements have been detailed in the Awards section of this Annual Report.

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

During the FY2023 your Company has not granted any Loan, Guarantee or provided securities under Section 186 of the Companies Act, 2013 read with rules framed thereunder.

7. Deposits

Your Company has neither invited nor accepted any deposits from the public within the preview of Section 73 of the Companies Act, 2013 ("the Act") during the year.

There is no unclaimed or unpaid deposit lying with the Company as on March 31, 2023.

8. Performance of Subsidiary, Joint Venture and Associates

The consolidated financial statements of the Company prepared in accordance with the Companies Act, 2013 and applicable accounting standards form part of the Annual Report. The consolidated financial statements include the financial statements of its subsidiary Companies.

- During the year under review, the wholly owned subsidiary was incorporated on July 15, 2022 namely **"IIL Biologicals Limited".**
- The Company has one joint venture namely **"OAT & IIL India Laboratories Private Limited"** within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"), as on March 31, 2023.

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

Pursuant to the provisions of section 136 of the Companies Act, 2013, the financial statements including consolidated financial statements along with the relevant documents and audited accounts of subsidiaries are available on the website of the Company at https://insecticidesindia.com

Pursuant to section 129 of the Companies Act, 2013 a statement in Form AOC-1, containing the salient features of the financial statements of the Company's subsidiaries is attached with the financial statements. The statement provides details of performance and financial position of the subsidiary. The contribution of the subsidiaries to the overall performance of the company is given in the consolidated financial statements. The highlights of performance of joint venture along with its contribution to overall performance of the Company during the period are provided in form AOC-1 and annexed as **Annexure–1**.

The Financial Statements of the subsidiaries shall be made available to the shareholders seeking such information and shall also be available for inspection at its Registered Office.

The Policy for determining material subsidiaries as approved may be accessed on the Company's Website in investor section: https://www.insecticidesindia.com/wp-content/uploads/2020/10/Policy-on-Material-Subsidiaries.pdf

9. Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year 2022-23 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 subsidiary and 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.

10. Transfer to Reserves

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

11. Management's discussion and analysis Report

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

12. Corporate Social Responsibility

The CSR policy formulated by the CSR Committee and approved by the Board, remains unchanged. The same 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**.

13. Risk Management

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

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

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

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

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

Risk Management Committee: The Company has constituted a Risk Management Committee of the Board comprising of one executive director and two independent director of the Company as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the risk management initiatives taken by the Company on quarterly basis and evaluate its impact and the plans for mitigation. During the year, the Committee met on May 26, 2022, August 12, 2022, November 07, 2022 and February 13, 2023. The Risk Management Policy can be accessed on the Company's website at at https://www.insecticidesindia.com/investors-desk/

14. Vigil Mechanism

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

15. Disclosure of Remuneration & Particulars Of Employees And Related Disclosures

The information as required in accordance with Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details regarding the remuneration and other requisite details are mentioned in the **Annexure – 3** attached hereto.

List of top 10 employees' remuneration are annexed as **Annexure-3** 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 available at https://www.insecticidesindia.com/investors-desk/

16. Directors/Key Managerial Personnel Appointment, Re-appointment & Resignation

Directors

During the year, the Board of Directors, basis the recommendation of Nomination and Remuneration Committee, has approved the re-appointment of Mr. Hari Chand Aggarwal, Whole-time Director & Chairman of the Board for the period of 5 (five) years w.e.f. October 01, 2022, liable to retire by rotation; Mrs. Nikunj Aggarwal as Whole-time Director for a period of five years with effect from May 02, 2023, liable to retire by rotation and Mr. Anil Kumar Goyal, Whole-time Director for the period of 5 (five) years w.e.f August 20, 2022, liable to retire by rotation and the same has been approved by the shareholders in 25th Annual General Meeting held on September 23, 2022

During the year under review, the shareholders of the company in the AGM held on September 23, 2022, approved the re-appointment of Mr. Hari Chand Aggarwal, Chairman of the Board, who was liable to retire by rotation.

Pursuant to provisions of Companies Act, 2013 ('Act') and the Articles of Association of the Company, Mr. Anil Kumar Goyal is liable to retire by rotation and being eligible, offer himself for re-appointment. The Nomination and Remuneration Committee and Board of Directors have recommended his re-appointment for the approval of the shareholders of the Company in the forthcoming Annual General Meeting of the Company

Key Managerial Personnel

Key Managerial Personnel of the Company pursuant to Section 2(51) of the Act, read with the Rules framed there under:

S. No	Name	Designation
1.	Shri Hari Chand Aggarwal	Chairman &WTD
2.	Shri Rajesh Kumar Aggarwal	Managing Director
3.	Smt. Nikunj Aggarwal	Whole-time Director
4.	Mr. Anil Kumar Goyal	Whole-time Director*
5.	Shri Sandeep Kumar	Company Secretary & CCO
6.	Shri Sandeep Aggarwal	Chief Financial Officer

*Mr. Anil Kumar Goyal is appointed w.e.f. August 20, 2022

During the period under review none of the Key Managerial Personnel (KMP) has resigned from the Company.

During the financial year 2022-23, 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.

17. Declaration by Independent Director

All the Independent directors have given declaration that they meet the criteria of Independence laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Board is of the opinion that all Directors including the Independent Directors of the Company possess requisite qualifications, integrity, expertise and experience in the fields of science and technology, industry experience, strategy, finance and governance, IT and digitalization, human resources, safety and sustainability, etc.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended. They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committees of the Board.

18. Directors 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/

Further the Board, in its meeting held on May 26, 2022 also evaluated the performance of the Board, its committees and all Individual Directors including Chairman of the Company and expressed its satisfaction over the performance of the Board, its Committees and Individual Directors. Furthermore, Board is of the opinion that Independent directors of the company are persons of high repute, integrity & possess the relevant expertise & experience in their respective fields

19. Familiarisation Programme for Independent Directors

Pursuant to the provisions of Regulation 25 of the SEBI Listing Regulations, the Company has formulated a programme for familiarising the Independent Directors pertaining to which all new Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. The new Directors are given an orientation on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, products of the business, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board and the major risks and risk management strategy of the Company.

During the year under review, Mr. Anil Kumar Bhatia, Independent Directors was inducted to the Board. 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.

20. Meeting of the Board

During the financial year 2022-23, the Board of Directors met 6 (Six) 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.

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, Corporate Social Responsibility Committee and Risk Management Committee.

After the reporting period, the board has made revisions to the roles and responsibilities, including changes to the names of committees. The Corporate Social Responsibility has been renamed to Corporate Social Responsibility & Sustainability Committee, and the Nomination & Remuneration Committee has been expanded to include ethics, now known as the Nomination, Remuneration and Ethics 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. Directors Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, cost and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2022-23.

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, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

23. Contracts Or Arrangements With Related Parties

Your Company has formulated a policy on related party transactions which is also available on Company's website at the link 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 under Section 188(1) of the Act and Listing Regulations and hence a disclosure in Form AOC-2 in terms of clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

Details of the transactions with Related Parties are provided in the accompanying financial statements, members may refer to Note No. 38 of Standalone and Note No. 40 of Consolidated financial statement of the notes to accounts of the Company which sets out related party disclosures pursuant to IndAS-24 and in compliance with the provision of Section 134(3)(h) of the Act.

24. Details in respect of adequacy of Internal Financial Controls

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

Along with Statutory and 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.

25. 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.

26. Material Changes and Commitments

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

27. Auditors

a) Statutory Auditors

At the 25th AGM of the Company held on September 23, 2022 pursuant to the provisions of the Act and the Rules made thereunder, 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 Joint Auditors of the Company for term of 5 (Five) consecutive Years.

The Board of Directors of the Company as per the recommendation of Audit Committee has approved the remuneration payable to /s SS Kothari Mehta & Company, Chartered Accountants (ICAI Regd. No.: 000756N) and M/s Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N), Chartered Accountants for the year 2022-23. Members may refer to Note No. 28(a) of Standalone and Note No. 29(a) of Consolidated financial statement of the notes to accounts of the Company for details of Auditors fees during the period.

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.

The Company has received their continuing eligibility certificate confirming that they satisfy the criteria provided under Section 141 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 2022-2023. 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 2023-24. The Company has received their consent for appointment.

A Secretarial Compliance Report for the financial year ended March 31, 2023 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 2023-24. 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 26th Annual General Meeting of your Company.

During the FY 2022-23, 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. The Cost Audit Report of the relevant period does not contain any qualification, reservation, adverse remark or disclaimer.

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 2022-23.

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 into consideration by the management.

No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

28. Corporate Governance

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

29. 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-4** to this report.

30. Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report for the Financial Year 2022-23, as stipulated under Regulation 34 of the SEBI Listing Regulations read with Circulars issued by Securities and Exchange Board of India, forms part of the Annual Report and annexed as **Annexure-5.**

31. Annual Return

In accordance with Section 92 (3) of the Act, the annual return for the financial year 2022-23 is available on Company's website at https://www.insecticidesindia.com/investors-desk/

32. Disclosure under the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013

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

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

33. Pollution Control

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

34. Unclaimed Dividend Transferred to Investor Education and Protection Funds (IEPF)

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. During the year under review, the Company has transferred the unclaimed dividend (Final) for financial year 2014-15, aggregating to ₹68,000 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.

The details of the nodal officer appointed by the Company under the provisions of IEPF Rules are available on the website of the Company.

35. Insurance

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

36. Nature of Business

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

37. Listing

The Company's equity shares are listed on BSE Limited ("BSE") & National Stock Exchange of India Limited("NSE") having nation-wide trading terminals. Annual listing fee for the Financial Year 2023-24 have been paid to NSE and BSE.

38. General

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

a. Details relating to deposits covered under Chapter V of the Act.

b. Issue of equity shares with differential rights as to dividend, voting or otherwise.

c. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

d. Any remuneration or commission received by Managing Director of the Company, from any of its subsidiary.

e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

f. During the period No fraud has been reported by the Auditors to the Audit Committee or the Board.

g. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

h. There was no instance of onetime settlement with any Bank or Financial Institution.

39. Compliance with Secretarial Standards

During the year under review, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

40. 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.

41. 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

	(Hari Chand Aggarwal)	**(Rajesh Kumar Aggarwal)**
Place: Delhi	Chairman & WTD	Managing Director
Dated: August 10, 2023	DIN-00577015	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

Name of Subsidiary	IIL Biologicals Limited
The date since when subsidiary was acquired	15.07.2022
Reporting Currency	INR
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
Share capital (₹ In Lacs)	118.00
Reserves and surplus (₹ In Lacs)	(6.11)
Total assets(₹ In Lacs)	115.13
Total Liabilities (₹ In Lacs)	3.24
Investments (₹ In Lacs)	86.84
Turnover (₹ In Lacs)	-
Profit before taxation (₹ In Lacs)	(1.00)
Provision for taxation (₹ In Lacs)	(0.17)
Profit after taxation (₹ In Lacs)	(0.83)
Proposed Dividend	Nil
Extent of shareholding (in percentage)	100%

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

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year – 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	31.03.2023
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 (₹ In Lacs)	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%
ii Not Considered in Consolidation	80%

Notes:

1. Names of associates or joint ventures which are yet to commence operations. – Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year.-Not Applicable

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

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 10, 2023

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 Lakhs)	Amount required to be setoff for the financial year, if any (₹ In Lakhs)
Not Applicable			

**The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.*

6. Average net profit of the Company as per Section 135(5) : **₹13,350.20 Lakhs**

7. a. Two percent of average net profit of the company as per Section 135(5) : **₹267.00 Lacs**
   b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Nil**
   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) : **₹267.00 Lacs**

8. a. CSR amount spent or unspent for the financial year: **2022-2023**

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (in ₹)				
	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
268.78	Not Applicable				

b. Details of CSR amount spent against ongoing projects for the financial year: **2022-2023**

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 ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation – Through Implementing Agency	
				State	District.						Name	CSR Registration number.
Nil												

c. Details of CSR amount spent against other than ongoing projects for the financial year : **2022-2023**

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 (₹ in Lacs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Kisaan Jagrukta Abhiyan (Training programmes to Farmers)	(iv)-Environmental Sustainability	Yes	Rajasthan, Gujarat	Alwar, Dahej	48.32	No	IIL Foundation	CSR00002345
2.	Project Environment & Plantation	(iv)-Environmental Sustainability	Yes	Rajasthan	Alwar	3.76	No	IIL Foundation	CSR00002345
3.	Project Vidya (Child education in rural areas)	(ii)-Promoting Education	Yes	Rajasthan	Alwar	22.90	No	IIL Foundation	CSR00002345
4.	Remedial Education	(ii)-Promoting Education	Yes	Delhi	Bawana	7.00	No	Navjyoti India Foundation	CSR00000255
5.	Home for Street Children	(iii)- Setting up home Orphans	Yes	Delhi NCR	All Districts	6.00	No	Subhaksiksha Educational Society	CSR00010001
6.	Skill Development - Technical Education	(ii)-Promoting Education	Yes	Delhi	West Delhi	15.00	No	Maharaja Agrasen Technical Education Society	CSR00006254
7.	Preventive Healthcare	(i)- Promoting Healthcare	Yes	Delhi	West Delhi	25.00	No	Maharaja Agrasen Hospital Charitable Trust	CSR00001343
8.	Mega Community Kitchen	(i)-Eradicating Hunger	Yes	PAN India	PAN India	25.00	No	Brahma Kumaris educational Soceity	CSR00000880
9.	Preventive Healthcare	(i)-Promoting Healthcare	Yes	UP	Ghaziabad	10.00	No	Maharaja Agrasen Sewa Sansthan	CSR00010427
10.	Preventive Healthcare	(i)-Promoting Healthcare	Yes	Delhi	Delhi	25.00	No	Shree Aggarsain North Ex Welfare Society	CSR00041574
11.	SVBPUAT Meerut	(ii)-Promoting Education	Yes	UP	Meerut	5.52	No	SVBPUAT Meerut	NA
12.	IIL Foundation Dispensary	(i)- Promoting Healthcare	Yes	Delhi	North Delhi	24.19	No	IIL Foundation	CSR00002345
13.	Ekal Abhiyan (Child education in rural areas)	(ii)-Promoting Education	Yes	PAN India	PAN India	22.00	No	Bhart Lok Shiksha Parishad	CSR00000667

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 (₹ in Lacs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
14.	Preventive Healthcare	(i)- Promoting Healthcare	Yes	PAN India	PAN India	11.00	No	Dharam Yatra Mahasang	CSR00029356
15.	Preventive Healthcare	(i)- Promoting Healthcare	Yes	Delhi	North Delhi	16.69	No	North Ex Blind Welfare & Education Society	CSR00041574
16.	Preventive Healthcare	(i)- Promoting Healthcare	Yes	UK	Dehradun	1.37	No	IIL Foundation	CSR00002345
	Total					**268.75**			

d. Amount spent in Administrative Overheads : **00.03**
e. Amount spent on Impact Assessment, if applicable : **NA**
f. Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹268.78 Lacs**
a. Excess amount for set off, if any : **NA**

Sl. No.	Particular	Amount (in ₹)
(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) (₹ in lakhs)	Amount Spent in the Reporting Financial Year (₹ 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 (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
	2022-2023	-	-	-	-	-	-
	2021-2022	-	-	-	-	-	-
	2020-2021	-	-	-	-	-	-
TOTAL			**-**				

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 ₹).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	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) : **2022-2023**

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

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

(Hari Chand Aggarwal)
Chairman of CSR Committee
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 10, 2023

Annexure - 3

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 2022-23:

Table no. I (₹ in Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Hari Chand Aggarwal	Chairman & (WTD)	106:1
2	Mr. Rajesh Aggarwal	Managing Director	101:1
3	Mrs. Nikunj Aggarwal	Whole-time Director	15:1
4	Mr. Anil Kumar Goyal#	Whole-time Director	3:1

Table no. II (₹ in Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Virjesh Kumar Gupta	Independent Director	0.92:1
2	Mr. Navin Shah	Independent Director	0.61:1
3	Mr. Jayaraman Swaminathan	Independent Director	1.29:1
4	Mrs. Praveen Gupta	Independent Director	0.92:1
5	Mr. Anil Kumar Bhatia*	Independent Director	0.46:1

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 have not been 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 and Whole-time Director	Nil
2	Mr. Rajesh Aggarwal	Managing Director	Nil
3	Mrs. Nikunj Aggarwal	Whole-time Director	14.38%
4	Mr. Anil Kumar Goyal#	Whole-time Director	54.10%
4	Mr. Sandeep Aggarwal	Chief Financial Officer	9.46%
5	Mr. Sandeep Kumar	Company Secretary	10.41%

 # Mr. Anil Kumar Goyal has been appointed as Whole-time director of the Company in the 25th AGM w.e.f August 20, 2022

c. The percentage increase in the median remuneration of the employees for the financial year is 2.83%. The median remuneration of the employee of the company for the financial year were ₹3.27/- Lakhs (Per Annum)

d. Total number of employees of the Company for the Financial Year was 1,472. The Company has maintained peaceful and harmonious relations with all its employees.

e. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average percentile increases in the salaries of employees other than managerial personal was 11.07%
- Average increase in remuneration of Managerial personnel (MD and ED of the Company) was 34.24%

Note: During the period Mr. Anil Kumar Goyal was escalated to ED

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.

Name	Designation/ Nature of Duty	Remuneration P.A. (₹ In Lacs)	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	347.79	High School	75 Years / 47 Years	01/11/2001	Own Business	4.68	Father of Mr. Rajesh Aggarwal, MD and Father-in-law of Mrs. Nikunj Aggarwal, WTD
Mr. Rajesh Aggarwal	Managing Director	329.72	Graduate	53 Years/ 30 Years	01/11/2001	Own Business	6.70	Son of Mr. Hari Chand Aggarwal, Chairman and Husband of Mrs. Nikunj Aggarwal, WTD
Mr. Prajapati Kirankumar Shashikant	Sr. GM Works	50.90	M. Tec	43 Years/ 20.5 Years	18/04/2022	Anupam Rasayan	0.00	No Relationship with Directors
Mrs. Nikunj Aggarwal	Whole-time Director	48.46	B.A	50 Years/ 16 Years	02/05/2013	Own Business	15.84	Wife of Mr. Rajesh Aggarwal, MDl and Daughter-in-law of Mr. Hari Chand Aggarwal, Chairman
Mr. Sunil Kumar Wasan	VP-Purchase	39.19	B-tech in Chemicals	54 Years/ 33 Years	23/02/2016	M/s Solrex Pharmaceutical Ltd, Sr. General Manager	0.00	No Relationship with Directors
Mr. Sandeep Aggarwal	CFO	38.11	CA	54 Years/ 33 Years	01/08/2011	Own Business	0.00	No Relationship with Directors
Mr. Vinod Kumar Garg	VP – Sales & Marketing (South India)	37.91	B.Com, LLB	62 Years/ 37 Years	01/06/2002	-	0.00	No Relationship with Directors
Mr. Arun Kohli	VP – Institutional Sales	33.51	Phd, Management	62 Years/ 42 Years	29/10/1960	M/s UPL Limited	0.00	No Relationship with Directors
Mr. Shailesh Kumar Kantibhai Patel	GM – R&D	32.43	M. Sc	52 Years/ 30 Years	01/07/2019	Green Tec Chemicals Private Limited	0.00	No Relationship with Directors
Dr. Lokesh Chander Rohela	AVP - Quality	31.01	Phd, Synthetic Organic Chemistry, IIT-Delhi	69 Years/ 39 Years	09/01/2013	Crystal Crop Production Private Limited	0.00	No Relationship with Directors
Mr. Sanjay Singh	Sr. G.M - Market Development	29.64	MSC	54 Years/ 29 Years	12/06/2012	M/s Dhanuka Agritech Ltd, Sr. Product Manager	0.00	No Relationship with Directors
Mr. Srikant S Satwe	Sr. VP - International Business	29.15	MSC and PGDMS	59 Years / 34 Years	08/12/2014	M/s Hikal Ltd, Head Marketing	0.00	No Relationship with Directors
Dr. Mukesh Kumar Aggarwal	AVP – R&D	28.55	P.hd and MSC	60 Years/ 29 Years	21/12/2001	M/s Hindustan Pulverising Mills, Manager QC & Production	0.00	No Relationship with Directors

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

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 10, 2023

Annexure - 4

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

[Information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014]

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. We also focus on promoting biodiversity within the vicinity of our plants by conducting a tree plantation drive every year at all plants. Moreover, all our plants and operations are ISO 9001:2015, ISO 14001:201,5 and ISO 45001:2018 compliant.

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: The Company has installed the Solar Plant at its Chopanki and Dahej facility to reduce the traditional electricity consumption. The installed capacity of the Plant is approximately 1.2 MW.

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

B. Technology absorption

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

We have adopted IT in such a way that its beneficial to derive product improvement, cost reduction, product development or import substitution. Product improvement and cost reduction is always the Company's priority while we choose new equipment.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Your Company has not imported any technology during last three years. However, the Company has spent on the research and development of various products.

Research and Development (R&D)

(i) Specific areas in which R&D carried out by the Company - Your Company put emphasis on R&D and spends enormous amounts and efforts in R&D for gaining industrial experiences. We have a highly experienced team of dedicated scientists focusing on the development of a variety of niche products in the crop protection. Established in JV with globally renowned R&D player from Japan, the four R&D units have helped the Company develop innovative and niche products which have propelled the growth of the Company 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 e, among others.

(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 products during the year named as Mission GR, Stunner, Himax, Sargent Express, Torry and Izuki. Further, following are the enlisted R&D activities of the companies:

a. Till date the Company has filed 35 patents out of which 19 patents are already received.

b. During the period the Company has filed 5 new patents.

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

d. The R&D Team has developed more than 60 processes.

e. 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 2023.

The expenditure incurred on Research and Development:

(₹ in Lacs)

Particulars	Amount
Capital	26.88
Recurring	502.79
OAT &IIL Laboratories Private Limited	366.33
Total	**896.00**

C. Foreign exchange earnings and Outgo

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

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

(₹ in Lacs)

Particulars	Amount
Foreign exchange earned	9391.40
Foreign exchange used	70044.78

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

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 10, 2023

Annexure - 5

Business Responsibility and Sustainability Report

SECTION A : General Disclosures

I Company Information

S.no.	Details of listed entity	
1	**Corporate Identity number**	L65991DL1996PLC083909
2	**Name of company**	Insecticides (India) Limited
3	**Year of incorporation**	1996
4	**Registered office address**	401-402, Lusa Tower, Azadpur Commercial Complex, Delhi - 110033
5	**Corporate address**	401-402, Lusa Tower, Azadpur Commercial Complex, Delhi - 110033
6	**E-mail**	investor@insecticidesindia.com
7	**Telephone**	(+) 91 11-45532209
8	**Website**	www.insecticidesindia.com
9	**Financial year for which reporting is being done**	FY 2022-23
10	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited (BSE) and National Stock Exchange of India (NSE)
11	**Paid-up Capital**	Rs. 29,59,78,370/- divided into 2,95,97,837/- Equity share of Rs. 10/- each
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Mr. Sandeep Kumar Designation: Company Secretary & CCO Contact Number: 9911727317 Email Id: cs.sandeep@insecticidesindia.com
13	**Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Standalone basis

II List of Products/services

14 Details of the business activities (accounting for 90% of the turnover)

S.No.	Description of Main activity	Description of business activity	% of turnover of company
1	Manufacturing	Manufacturing of Agro-Chemicals	100

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S.No.	Product/service	NIC Code	% of total turnover contributed
1	Insecticides	20211	45%
2	Herbicides	20211	40%
3	Fungicides	20211	12%
4	Biologicals & plant growth regulators (PGR's)	20219	3%

III Operations

16 Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	6	28	34
International	0	0	0

17 Markets served by the entity

a **Number of locations**

Locations	Number
National (No. of State and UTs)	35
International (No. of Countries)	22

b **What is the contribution of exports as a percentage of the total turnover of the entity?:** 5.51%

c **A brief on types of customers**: IIL's primary customer base comprises farmers, who are considered a crucial group for the company. IIL specializes in producing top-quality crop protection solutions, catering to the needs of both small and marginal farmers.

IV Employees

18 **Details as at the end of Financial Year:**

a **Employees and workers (including differently abled):**

S.no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
i	Permanent (D)	736	713	97%	23	3%
ii	Other than Permanent (E)	638	638	100%	0	0%
iii	**Total Employees (D+E)**	**1374**	**1351**	**98%**	**23**	**2%**
	Workers					
i	Permanent (F)	736	728	99%	8	1%
ii	Other than Permanent (G)	846	846	100%	0	0%
iii	**Total Workers (F+G)**	**1582**	**1574**	**99%**	**8**	**1%**

b Differently abled employees & workers

	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled employees					
i	Permanent (D)	0	0	0	0	0
ii	Other than Permanent (E)	0	0	0	0	0
iii	**Total Differently abled employees (D+E)**	**0**	**0**	**0**	**0**	**0**
	Differently abled workers					
i	Permanent (F)	0	0	0	0	0
ii	Other than Permanent (G)	0	0	0	0	0
iii	**Total Differently abled workers (F+G)**	**0**	**0**	**0**	**0**	**0**

19 **Participation/Inclusion/Representation of women :**

S.no.	Particulars	Total (A)	No. and percentage of females	
			No. (B)	(B/A)
i	Board of Directors	9	2	22.22
ii	Key Management Personnel	2	0	0

20 Turnover rate for permanent employees and workers ((Disclose trends for the past 3 years)

S.no.	Particulars	FY (Turnover rate in FY 2022-23)			FY (Turnover rate in 2021-22)			FY (Turnover rate in FY 2020-21)		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
i	Permanent Employees and workers	18.32%	6.45%	24.77%	17.95%	6.90%	24.84%	18.23%	7.14%	25.38%

V Holding, Subsidiary and Associate Companies (including joint ventures)

21.a Names of holding / subsidiary / associate companies / joint ventures

S.no.	Name of the holding / subsidiary / associate companies / joint ventures	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Does the company participate in the Business Responsibility initiatives of the parent company? (Yes/No)
i	OAT & IIL India Laboratories Private Limited	Joint Venture	20%	No
ii	IIL Biologicals Limited	Wholly owned Subsidiary Company	100%	No

VI CSR Details

(₹ In Lakhs)

22	(i)	Whether CSR is applicable as per section 135: (Yes/No)	Yes
	(ii)	Turnover (in ₹)	₹180259.24
	(iii)	Net worth (in ₹)	₹91828.97

VII Transparency and Disclosures Compliances

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-2023			FY 2021-2022		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of year	Remarks	Number of complaints received during the year	Number of complaints pending resolution at close of year	
Communities	Yes (https://www.insecticidesindia.com/wp-content/uploads/2021/02/CSR-Policy.pdf)	0	0	-	0	0	Not Applicable
Investors (other than shareholders)	Yes (https://www.insecticidesindia.com/wp-content/uploads/2023/08/P1_IGRP_2021.pdf)	0	0		0	0	Not Applicable
Shareholders		22	0		15	0	Nil complaints received however shareholders requests and queries received and resolved within stipulated time according the Policy
Employees and workers	Yes (https://www.insecticidesindia.com/wp-content/uploads/2020/10/CodeofConduct.pdf)	0	0		0	0	Grievances addressed according to the Policy
Customers	"Yes (Customer Care Number & Email ID available on packaging labels)"	0	0		0	0	Support and grievance resolved according to the Policy
Value Chain Partner	Yes (App and Emails)	0	0		0	0	Not Applicable

24 Overview of the entity's material responsible business conduct issues

S.no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implications)
i	**Business Ethics**	Opportunity	Within the organization, business ethics practices are obligatory to build an environment of trust, accountability, integrity, and transparency. It also aids in building trust between the company and stakeholders.	Robust Corporate governance mechanism with policies such as Prevention of Insider trading, Related party Transaction Policy, whistle blower Policy, code of conduct for board and employees	Positive
ii	**Economic Performance**	Opportunity	Economic performance directly impacts the company's financial health and sustainability. It also influences a chemical company's ability to attract investors, lenders, and suppliers.	-	Positive
iii	**Research and development**	Opportunity	R&D plays a crucial role in offering a competitive advantage to the organization.	-	Positive
iv	**Material Management**	Risk	Effective material management practices help the organization's costs, minimize waste, optimize resource utilization, and maintain compliance with regulations.	Reduction on dependency of raw material through various sources would reduce and improve the efficiency	Positive
v	**Water Management**	Risk	Effective water management ensures the organization's operations are sustainable and minimizes environmental impact. Proper water management practices can help to reduce its water waste and mitigate the risks associated with water scarcity.	Creating an alternative of water resource through water harvesting	Negative
vi	**Waste Reduction**	Risk	Hazardous and non-hazardous waste generated during manufacturing can pose environmental and human health risks and can be costly to manage. By implementing waste reduction strategies organizations can reduce its environmental impact and operating costs.	Water management policy to innovate and educate employees at production facilities	Negative
vii	**Product Safety and transparency**	Opportunity	Chemical products can pose risks to human health and the environment, so it is essential for an organization to prioritize product safety and provide transparent information about the chemicals it uses in its products to build trust with customers and other stakeholders.	IIL consistently engages itself in farmers awareness to educate the judicial use of products	Negative
viii	**Supply chain management**	Opportunity	Effective supply chain management practices are critical for ensuring product quality, safety, and timely delivery while minimizing environmental impact.	-	Positive
ix	**Occupational Health & Safety (OHS)**	Risk	Chemical handling is a high safety risk. Thus, the OHS system ensures the well-being of employees, reduces the risk of accidents and injuries, and helps to minimize liabilities and associated costs.	"IIL conducting regular internal and external safety audits and has committed to ensure safety and health of workers and employees in all its plants. IIL also has appropriate and requisite safety certifications"	Negative

S.no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implications)
x	**Diversity and equal opportunity**	Opportunity	It can foster innovation, attract, and retain top talent, and enhance the company's reputation and social license to operate. This can ultimately contribute to the company's long-term success and financial performance.	-	Positive
xi	**Human Rights**	Opportunity	Human rights touch all aspects of a company's operations. Respecting the human rights of all stakeholders is both a legal and ethical imperative.	-	Positive
xii	**Local Communities**	Opportunity	Maintain a long-lasting relationship with the local communities and giving back to society is of prime importance.	-	Positive

Section B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

Principle 1: **Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.**

Principle 2: **Businesses should provide goods and services in a manner that is sustainable and safe.**

Principle 3: **Businesses should respect and promote the well-being of all employees, including those in their value chain.**

Principle 4: **Businesses should respect the interests of and be responsive to all its stakeholders.**

Principle 5: **Businesses should respect and promote human rights.**

Principle 6: **Businesses should respect and make efforts to protect and restore the environment.**

Principle 7: **Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

Principle 8: **Businesses should promote inclusive growth and equitable development.**

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

	Disclosure Questions **Policy and management processes**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1.a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1.b	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1.c	Web Link of the Policies	The requisite policies are available at Insecticides (India) Limited Website under Investors Section. https://www.insecticidesindia.com/policies/								
2	Whether the company has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your company and mapped to each principle	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								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	In the ongoing year, we are setting commitments, goals and targets for environment, social and governance parameters								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	During the reporting period, we have established CSR & Sustainability Committee at the Board level which oversees and guides the Sustainability initiatives of the organization. We are in the process to develop the long-term goals and targets for the company. Our Preamble "We are striving to create a sustainable foundation that transforms our society and protects the environment. We at IIL are driving some meaningful initiatives to reinforce a greener and prosperous tomorrow"								

Disclosure Questions Policy and management processes		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy	CSR & Sustainability Committee and Management Core team has been established								
9	Does the company have a specified committee of the Board/ Directors/ Officials to oversee the implementation of the policy? (Yes/No) If yes, provide details.	Yes, Insecticides (India) Limited has a Sustainability Committee led by Mr. Hari Chand Aggarwal – Chairman & WTD with members Mr Rajesh Kumar Aggarwal - Managing Director and Virjesh Kumar Gupta - Independent Director								

10 **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Frequency (Annually/ Half yearly/ Quarterly)	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
Performance against above policies and follow up action	**Yearly**								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	**Yearly**								

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

12 **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
The company does not consider the Principles material to its business (Yes/No)	This is the first year of implementation of ESG at IIL and IIL considering and evaluating the principles to be incorporated with the policies and conducting review with the help of extenal agencies, who will helps the company to standarise the policies and establish the monitoring process, it has been planned to conduct reviews in the next financial year.								
The company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes / No)									
The company does not have the financial or/ human and technical resources available for the task (Yes / No)									
It is planned to be done in the next financial year (Yes / No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE DISCLOSURES

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1 **Percentage coverage and total number by training and awareness programmes on any or all the Principles in the financial year**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age coverage by awareness programmes
Board of Directors	1	Capacity building session on sustainability & ESG, Code of Conduct of IIL, POSH, Effective feedback	100%
Key Managerial Personnel	2	Prevention of Harassments at the Workplace, Vision Mission Values and Code of Conduc of IIL	100%
Employees other than BoD and KMPs	139	Product training, POSH, Safety, Vendor Management, Finance (TDS, GST, Annual Return etc.)	71%
Workmen	94	Safety Programmes, Job training and skill upgradation (Chopanki, Udhampur, Dahej and Sambha)	75%

2 **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies / Judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Punishment Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3 **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

4 **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the aspects concerning anti-corruption have been addressed in our Business Responsibility policy. You can access the policy through this link: https://www.insecticidesindia.com/wp-content/uploads/2020/10/Business-Responsibility.pdf.

5 **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-2023	FY 2021-2022
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6 **Details of complaints with regard to conflict of interest:**

		FY 2022-2023	FY 2021-2022
i	Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0
ii	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0

7 **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
5	Sustainability, Enviorment Protection, Safe Workplace and preventive healthcare	70

2 **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, Insecticides (India) Limited has an approach to avoiding/managing conflict of interests involving members of the Board which is also embodied within our Code of Conduct. We assess all the activities for potential conflicts and ensure that any actual, potential, or perceivable conflicts are declared and resolved before the initiation of any task or project. The code of conduct accessed at the https://www.insecticidesindia.com/wp-content/uploads/2020/10/CodeofConduct.pdf Further, the Board of Directors sign off on the Code of Conduct on an annual basis and an affirmation declaration is obtained from the Board of Directors. Further, the Board confirms that there were no materially significant related party transactions made with the Promoters, Directors or Key Managerial Personnel which may have a potential conflict of interest with the company at large.

PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1 **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the company, respectively.**

	FY 2022-23	FY 2021-22	Details of Improvements in Environmental & Social Impacts
R&D	3.00%	2.70%	Innovative Molecules
Capex	2.25%	1.50%	Investment in Solar leads to energy efficiency and process improvement

2.a **Does the company have procedures in place for sustainable sourcing? (Yes/No)**

No, Currently, IIL does not assess suppliers using ESG (Environmental, Social, and Governance) parameters. However, the company has plans to incorporate ESG evaluations in its supplier assessment process in the future.

b **If yes, what percentage of your inputs was sourced sustainably?**

Not Applicable

3 **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste and (c) Hazardous waste (d) Other waste**

As of now, IIL does not have established processes for the safe reclamation of our products for reuse, recycling, or proper disposal at the end of their life cycle. We acknowledge the importance of implementing such processes to ensure responsible and sustainable waste management practices. We are actively exploring ways to enhance our environmental commitment and are working towards developing appropriate procedures for product reclamation and disposal.

4 **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. If not, provide steps taken to address the same.**

Not applicable

Leadership Indicators

1 **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details on the following format?**

NIC Code*	Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
Nil					

2 **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Product / Service	Description of the risk / concern	Action Taken
Nil		

3 **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-2023	FY 2021-2022
Does not recorded, will do in future		

4 **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Product	FY 2022-2023			FY 2021-2022		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	Does not recorded, will do in future					
E-waste						
Other waste						

5 **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	Nil

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 **Details of measures for the well-being of employees (including differently abled):**

a

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No (B)	% (B/A)	No (C)	%(C/A)	No (D)	% (D/A)	No (E)	% (E/A)	No (F)	% (F/A)
Permanent employee											
Male	713	713	100	713	100	0	0	0	0	0	0
Female	23	23	100	23	100	23	100	0	0	0	0
Total	**736**	**736**	**100**	**736**	**100**	**23**	**100**	**0**	**0**	**0**	**0**
other than permanent employee											
Male	638	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**638**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Notes:

Non-permanent employees/ workers are covered under employee State insurance Scheme

Day care facility has been extended to the employees on need basis

b **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No (B)	% (B/A)	No (C)	%(C/A)	No (D)	% (D/A)	No (E)	% (E/A)	No (F)	% (F/A)
Permanent workers											
Male	728	0	0	728	100	0	0	0	0	0	0
Female	8	0	0	8	100	8	100	0	0	0	0
other	0	0	0	0	0	0	0	0	0	0	0
Total	**736**	**0**	**0**	**736**	**100**	**8**	**100**	**0**	**0**	**0**	**0**
Other than permanent workers											
Male	846	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
other	0	0	0	0	0	0	0	0	0	0	0
Total	**846**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0

2 **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	1.74	14.47	Y	2.81	13.14	Y

3 **Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

As of now, IIL does not have any employees under the differently-abled category. Nevertheless, we have made significant efforts to ensure that our offices and premises are inclusive and accessible to all individuals. Our workplace is equipped with services such as ramps and elevators to facilitate easy access for people with disabilities. Additionally, the manufacturing plant has been designed with accessibility in mind, ensuring that any future differently-abled employees can easily navigate the area without hindrance.

4 **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Our Employee Handbook and Business Responsibility policy both address the principle of equal opportunity.

You can find the Business Responsibility policy here: https://www.insecticidesindia.com/wp-content/uploads/2020/10/Business-Responsibility.pdf

At Insecticides (India) Ltd., we are dedicated to providing equal employment and advancement opportunities to all qualified individuals, irrespective of their race, color, religion, sex, age, marital status, national origin, or handicap.

5 **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6 **Is there a mechanism available to receive and redress grievances for the following categories of employees and workmen? If yes, please name the mechanism.**

	Yes/No	Details
Permanent Workmen	Yes	IIL has a well-established policy and set of procedures in place for reporting and addressing individual grievances. The process involves three levels: Level 1: The affected employee submits their grievance to their immediate supervisor, either in writing or through verbal communication. The supervisor then takes action to address the situation within three working days. If the matter is of a policy-level nature, the grievance is referred to the HR Head. Level 2: If the employee is not satisfied with the response from their immediate supervisor, they can submit the grievance along with the supervisor's reply to their HOD/Unit Head or HR Head. The HOD/Unit Head or HR Head will listen to the individual's grievance and provide counseling within three working days. Level 3: If the grievance remains unresolved, a formal grievance is lodged and forwarded to the Grievances Redressal Committee. The committee carefully analyzes the grievance, taking into account feedback and views from its members. Within seven working days, the Grievance Redressal Committee makes its recommendation and sends it to the Chairman for consideration and appropriate action, if necessary. The Chairman's decision is deemed final and binding on all concerned parties. This grievance redressal process ensures that individual grievances are addressed promptly and fairly, promoting a positive work environment and effective conflict resolution.
Other than Permanent Workmen	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7 **Percentage of membership of employees and workmen in association(s) or Unions recognised by the Board**

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No (B)	% (B/A)	Total (A)	No (B)	% (B/A)
Total Permanent Employees						
Male	1351	0	0	1258	0	0
Female	23	0	0	21	0	0
Total	1374	0	0	1279	0	0
Total Permanent Workmen						
Male	1574	0	0	1258	0	0
Female	8	0	0	21	0	0
Total	1582	0	0	1279	0	0

8 **Details of training given to employees and workers:**

Category	FY 2022-2023					FY 2021-2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No (B)	% (B/A)	No (C)	% (C/A)
Employees										
Male	1351	1121	82.97	0	0	1258	0	0	0	0
Female	23	16	69.56	0	0	21	0	0	0	0
others	0	0	0	0	0	0	0	0	0	0
Total	1374	1137	0	0	0	1279	0	0	0	0
Workmen										
Male	1574	1574	100	1574	100	1316	1316	100	1316	100
Female	8	8	100	8	100	8	8	100	8	100
others	0	0	0	0	0	0	0	0	0	0
Total	1582	1582	100	1582	1582	1324	1324	0	1324	100

9 **Details of performance and career development reviews of employees and worker**

	FY 2022-2023			FY 2021-2022		
	Total	No.	%	Total	No.	%
Employees						
Male	1351	1351	100	1258	1258	0
Female	23	23	100	21	21	0
Total	1374	1374	0	1279	1279	0
Workers						
Male	1574	1574	100	1316	0	0
Female	8	8	100	8	0	0
Total	1582	1582	100	1324	0	0

10 **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

We have established technical synthesis plants at two locations, Chopanki and Dahej, which grant the company a competitive edge through backward integration. Additionally, our formulation products are manufactured at several facilities, including Chopanki, Dahej, Samba, and Udhampur. Moreover, our biological products are produced in Shamli, Uttar Pradesh, under a toll arrangement. It's essential to note that all our facilities hold certifications for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, signifying our commitment to maintaining high-quality standards, environmental responsibility, and occupational health and safety practices. These certifications reflect our dedication to excellence and the well-being of our employees and the environment.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Insecticides (India) Limited considers occupational health and safety as its top priority. We firmly believe that providing a safe and healthy work environment is not only crucial for the well-being of our employees but also essential for the long-term success of the organization. To ensure this, we have put in place robust health and safety policies and procedures, along with regular training and awareness programs for all employees.

At each of our manufacturing plants, we have implemented specific safety programs for the well-being of our employees:

1. Worker Protection Program: This program is designed to provide comprehensive training to new joiners, ensuring they are well-versed in safety practices within 15 days of joining. For staff members, the training is repeated every two years. The program is conducted in seven languages, covering a holistic understanding of Insecticides India Limited and its business.
2. Mock Drills: To effectively respond to emergencies, fire safety drills are conducted for workers every six months at all manufacturing plants. These drills enable employees to be prepared and respond efficiently in case of any unfortunate incidents.
3. Morning Desktop Discussion: Regular discussions are held with maintenance staff every day to address incidents or accidents that might have occurred and to identify areas for improvement. These discussions facilitate proactive measures to enhance workplace safety.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, Insecticides India Limited (IIL) actively promotes a culture of reporting among its employees. We encourage all our employees to report any work-related injuries, unsafe conditions or acts, near-misses, or any other safety-related concerns.

To facilitate this process and ensure effective reporting, each of our manufacturing plants has established a specific procedure for reporting such incidents. We take these reports seriously and consider them essential for identifying potential hazards and implementing corrective actions to enhance workplace safety.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

All our employees and workers except other than permanent are provided with Gratuity life insurance from coverage of life insurance and also access to a comprehensive health care scheme. Their well-being is of utmost importance to us, and we strive to ensure that they have the necessary support in case of any medical emergencies.

11 **Details of safety related incidents during the current Financial Year**

Safety Incident/Number	Category (Employees/Workers)	FY 2022-2023	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-man hours worked)	Employees	0	0
	Workers		
Total record-able work related injuries	Employees	0	0
	Workers		
No. of fatalities caused	Employees	0	0
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers		

12 **Describe the measures taken by the entity to ensure a safe and healthy work place.**

We have established 24-hour medical facilities or dispensaries at all our plant locations. These facilities are equipped to provide proper medication and treatment to employees in times of illness or health concerns. Additionally, we have prepared an instructional document that contains essential safety-related information and emergency contact details. This document is readily available to workers at the plants, ensuring they are well-informed and prepared for any unforeseen situations.

Moreover, as a proactive measure, we conduct health checkups for our employees on a quarterly basis. Regular health assessments contribute to early detection and prevention of health issues, enabling our employees to maintain their well-being effectively.

13 **Number of Complaints made by employees and workmen under various categories**

	FY 2022-2023			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health& Safety	0	0		0	0	

14 **Assessments for the year :**

	% of your plants and offices that were assessed
Health and safety practices	100
Working Conditions	100

15 **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

We are proud to report that none of our plants have encountered any instances of child labor, forced labor, or sexual harassment. At Insecticides India Limited, we place a strong emphasis on promoting a safe, ethical, and respectful workplace for all our employees. Our commitment to upholding human rights and maintaining a positive work environment remains unwavering.

Leadership Indicators

1 **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(a) **Employees**

Yes, All our employees and workers except other than permanent are provided with Gratuity life insurance from coverage of life insurance

(b) **Workers**

Yes, All our employees and workers except other than permanent are provided with Gratuity life insurance from coverage of life insurance

2 **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Not Applicable

3 **Provide the number of employees / workers having suffered high consequence work related injury / illhealth / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023	FY 2021-2022	FY 2022-2023	FY 2021-2022
Employees	0		0	
Workers	0		0	

4 **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Not Applicable

5 **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Working Conditions	-
Health & Safety	-

6 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 **Describe the processes for identifying key stakeholder groups of the entity.**

We recognise that farmers are one of our key stakeholders and their well-being and upliftment is our priority. We are committed to providing goods that not only amaze our customers but also adhere to the safety and quality requirements set forth by law. The Company recognisein that Employees, Shareholders, Communities, Suppliers/partner/vendors and regulatory bodies are the internal and external groups of key stakeholders on the basis of their immediate impact on the operations and working of the Company .

The Company also engages with the analysts and news media from time to time.

2 **List stakeholder groups identified as key for your company as described in Section B, Q. 9, and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Farmers	Yes	• Awareness campaigns • Visits • Farmer meetings • Mass media, social media and call centers	Quarterly	•. Awareness of the right usage of agrochemicals • Understanding the challenges faced by them while using insecticides and herbicides
Shareholders	No	• Annual Report • Press Releases • Investor Presentation • Corporate Website • Quarterly and Annual Results • Corporate Announcement on • Stock Exchanges	Quarterly	• Financial information • Return on investment • Company developments
Customers	No	• Customer feedback and satisfaction survey	Quarterly	• Product details • Product pricing • Product feedback • New product development • Better service • Products quality • Competitive price
Employees	No	• Induction program • Conferences • Engagements Surveys • Workshops • Training program	Quarterly	• Benefits provided to employees • Understanding challenges faced by employees (if any)
Communities	No	• Community Visits • Interaction with Local Bodies in areas of operation • CSR Activities	Quarterly	• Understanding challenges faced by these communities • Feedback on CSR activities carried out
Suppliers	No	• Open house vendor meets • Meetings through associations	half-yearly	• Vendor assessment and review • Pricing and quality issues • Supply chain issues/ solutions
Regulatory Bodies	No	• Regulatory filings • Facility inspections • Annual reports	half-yearly	• Compliance with regulatory requirements

Leadership Indicators

1 **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company's management regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees etc. The Company has Stakeholders Relationship Committee, Nomination, Remuneration and Ethics Committee and Corporate Social Responsibility and Sustainability Committee to update and upgrade the progress of actions to the Board and takes inputs on a quarterly basis.

2 **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, through materiality assessment, we engage with our stakeholders in terms of identifying and prioritising the issues pertaining to environmental and social topics.

3 **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

While no concerns arose during the reporting period, IIL has a stringent Grievance Redressal Mechanism and process governed by our Grievance Redressal Policy.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1 **Employees and workmen who have been provided training on human rights issues and policy(ies) of the company in the Financial Year**

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (A)	No. of employees / workers covered (B)	% (B / A)
Employees						
Permanent	736	0	0	672	0	0
Other than permanent	638	0	0	607	0	0
Total	**1374**	**0**	**0**	**1279**	**0**	**0**
Workers						
Permanent	736	0	0	633	0	0
Other than permanent	846	0	0	691	0	0
Total	**1582**	**0**	**0**	**1324**	**0**	**0**

2 **Details of the minimum wages paid to employees and workers**

Category	FY 2022-2023					FY 2021-2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No (B)	%(B/A)	No (C)	%(C/A)		No (E)	%(E/D)	No (F)	%(F/D)
Employees										
Permanent										
Male	713	0	0	713	100	651	0	0	651	100
Female	23	0	0	23	100	21	0	0	21	100
Other than Permanent										
Male	638	0	0	638	100	607	0	0	607	100
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	728	0	0	728	100	625	0	0	625	100
Female	8	0	0	8	100	8	0	0	8	100
Other than Permanent										
Male	846	0	0	846	100	691	0	0	691	100
Female	0	0	0	0	0	0	0	0	0	0

3 **Details of remuneration/salary/wages**

	Male		Female	
	Number	Median remuneration/ salary/ wages	Number	Average remuneration/ salary/ wages
Board of Directors	7	Rs. 103.20 Lakhs	2	Rs. 48.00 Lakhs
Key Managerial Personnel	5	Rs. 38.11 Lakhs	1	Rs. 48.00 Lakhs
Employees other than BoD and KMP	1365	Rs. 3.20 Lakhs	21	Rs. 5.30 Lakhs
Workmen	1574	Rs. 3.10 Lakhs	8	Rs. 4.15 Lakhs

4 **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the company have a comprehensive human rights policy which emphasizes the protection of human rights, including non-discrimination and fair treatment. We also recognize our responsibility to uphold the rights of workers, customers, suppliers, and the communities in which we operate.

5 **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At IIL, we prioritize the principles of human rights and are committed to treating all employees with dignity and respect. To ensure that these values are upheld throughout our operations and interactions with stakeholders, we have implemented a comprehensive human rights policy. This policy emphasizes the protection of human rights, including non-discrimination and fair treatment. We also recognize our responsibility to uphold the rights of workers, customers, suppliers, and the communities in which we operate.

6 **Number of Complaints on the following made by employees and workers:**

	FY 2022-2023			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced labour / involuntory labour	0	0		0	0	
Wages	0	0		0	0	
other Human Rights related Issues	0	0		0	0	

7 **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, we have established the Internal Complaints Committee, complying with all relevant provisions. The details of this policy can be accessed on our company's website at https://www.insecticidesindia.com/wp-content/uploads/2023/01/POSH_Policy_2023.pdf

8 **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No

9 **Assessment for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced labour / involuntory labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - Please Specify	100%

10 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

We are proud to report that none of our plants have encountered any instances of child labor, forced labor, or sexual harassment, discrimination etc. At Insecticides India Limited, we place a strong emphasis on promoting a safe, ethical, and respectful workplace for all our employees. Our commitment to upholding human rights and maintaining a positive work environment remains unwavering.

Leadership Indicators

1	**Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**	NA
2	**Details of the scope and coverage of any Human rights due-diligence conducted, including in the value chain.**	NA
3	**Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**	NA

4 **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	No assessment during the period
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments**

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 **Details of total energy consumption (in Joules or multiples) and energy intensity**

Parameter	FY 2022-2023	FY 2021-2022
Total electricity consumption in GJ (A)	59147.72	52575.75
Total fuel consumption (B)	227808.84	202496.75
Diesel GJ	92875.51	82556.01
Natural Gas GJ	60880.83	54116.29
Biomass Briquette GJ	68065.33	60502.52
Petrol (GJ)	81.06	72.05
Wood GJ	3712.80	3300.27
Furnace oil GJ	2193.32	1949.61
Energy consumption through other sources (C)	0.00	0
Total energy consumption (A+B+C)	286956.56	255072.49
Energy intensity per rupee of turnover ((Total energy consumption/ turnover in rupees)	0.00001594	0.00001417
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

2 **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3 **Provide details of the following disclosures related to water**

Water withdrawal by source (in kilolitres)

Parameter	FY 2022-2023	FY 2021-2022
i Surface water	0	0
ii Groundwater	6373.50	5665.33
iii Third party water	63979.00	56870.22
iv Seawater / desalinated water	0	0
v Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**70352.50**	**62535.56**
Total volume of water consumption (in kilolitres)	**70352.50**	**62535.56**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000391	0.00000347
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

4 **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

IL has successfully adopted a zero liquid discharge (ZLD) system in three of its plants located in Chopanki, Udhampur, and Sambha. This system enables the company to effectively treat and recycle all water utilized in both manufacturing and domestic processes, eliminating the discharge of any wastewater into the environment.

For domestic effluents, a sewage treatment plant is employed to treat the water, and the treated water is then utilized for gardening purposes. On the other hand, all industrial effluents are processed through an effluent treatment plant, ensuring responsible management of water resources and environmental protection.

5 **Provide details of air emissions (other than GHG emissions) by the entity**

Parameter	Unit	FY 2022-2023	FY 2021-2022
NOx	tonnes	58.27139354	Not Applicable
SOx	tonnes	22.22705136	
Particulate matter (PM)	tonnes	26.18273696	
Persistent organic pollutants (POP)		Not Applicable	
Volatile organic compounds (VOC)		Not Applicable	
Hazardous air pollutants (HAP)		Not Applicable	
Others – please specify		Not Applicable	

6 **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity**

Parameter	Unit	FY 2022-2023	FY 2021-2022
Total Scope 1 emissions	Metric tonnes of CO2 equivalent	12047.31	17528.61
Total Scope 2 emissions	Metric tonnes of CO2 equivalent	10596.32	11537.45
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	0.00000126	0.00000161
Total Scope 1 and Scope 2 emission intensity	Metric tonnes of CO2 equivalent	0.00000126	0.00000161

7 **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details**

At IIL, we are dedicated to combating climate change, recognizing it as a significant 21st-century threat. To reduce our carbon footprint and minimize greenhouse gas emissions, we have been optimizing processes and incorporating low-carbon technologies in our operations. Emphasizing sustainable practices, we have prioritized the utilization of renewable energy sources, particularly solar energy. In 2020, we commenced planning for the installation of solar power plants at our manufacturing units, aiming to generate electricity from renewable sources. In early 2021, we successfully implemented the project, installing rooftop solar panels with a combined capacity of 1.2 MW at our Chopanki and Dahej manufacturing units. The positive outcomes have motivated us to extend our solar power capacity to other manufacturing units as well.

8 **Provide details related to waste management by the entity**

Parameter	FY 2022-2023	FY 2021-2022
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Total Hazardous waste MT (G)	608.62	581.35
Other Non-hazardous waste generated (I). Please specify, if any	Currently, not estimated. In coming year, it will be tracked and reported	Currently, not estimated. In coming year, it will be tracked and reported
Total (A+B + C + D + E + F + G + H+I)	608.62	581.35

Parameter	FY 2022-2023	FY 2021-2022
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
Recycled (MT)	22.458	19.96
Re-used	-	-
Other recovery operations	-	-
Total	22.458	19.96
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
Incineration and Landfilled (MT)	588.473	523.09
Other disposal operations	-	-
Total	588.473	523.09

9 **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Our approach to waste management adheres to local regulations, ensuring proper disposal or recycling through authorized facilities. Our primary emphasis lies in recycling and reusing materials, striving for environmentally friendly waste treatment. Any hazardous waste generated during production undergoes disposal by authorized third-party agencies certified by the State Pollution Control Board. These agencies employ recycling or incineration.

10 **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details**

S.no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
i	Not Applicable	Not Applicable	Not Applicable
ii	Not Applicable	Not Applicable	Not Applicable

11 **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

S.no.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
i	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
ii	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

12 **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances**

Yes

Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable			

Leadership Indicators

1 **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources**

	Parameter	FY 2022-2023	FY 2021-2022
	From renewable sources	NA	NA
i	Total electricity consumption (A)		
ii	Total fuel consumption (B)		
iii	Energy consumption through other sources (C)		
iv	Total energy consumed from renewable sources (A+B+C)		
	From non-renewable sources		
v	Total electricity consumption (D)		
vi	Total fuel consumption (E)		
vii	Energy consumption through other sources (F)		
viii	Total energy consumed from non-renewable sources (D+E+F)		
ix	Water intensity (optional) – the relevant metric may be selected by the entity		

2 **Provide the following details related to water discharged:**

	Parameter	FY 2022-2023	FY 2021-2022
	Water discharge by destination and level of treatment (in kilolitres)	NA	NA
i	To Surface water		
a	No treatment		
b	With treatment – please specify level of treatment		
ii	To Groundwater		
a	No treatment		
b	With treatment – please specify level of treatment		
iii	To Seawater		
a	No treatment		
b	With treatment – please specify level of treatment		
iv	Sent to third-parties		
a	No treatment		
b	With treatment – please specify level of treatment		
v	Others		
a	No treatment		
b	With treatment – please specify level of treatment		
vi	Total water discharged (in kilolitres)		

3 **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:**

Water withdrawal, consumption and discharge in the following performa

Parameter		FY 2022-2023	FY 2021-2022
Water withdrawal by source (in kilolitres)		NA	NA
i	Surface water		
ii	Groundwater		
iii	Third party water		
iv	Seawater / desalinated water		
v	Others		
vi	Total volume of water withdrawal (in kilolitres)		
vii	Total volume of water consumption (in kilolitres)		
viii	Water intensity per rupee of turnover (Water consumed / turnover		
Water discharge by destination and level of treatment (in kilolitres)			
i	Into Surface water		
a	No treatment		
b	With treatment – please specify level of treatment		
ii	Into Groundwater		
a	No treatment		
b	With treatment – please specify level of treatment		
iii	Into Seawater		
a	No treatment		
b	With treatment – please specify level of treatment		
iv	Sent to third-parties		
a	No treatment		
b	With treatment – please specify level of treatment		
iv	Others		
a	No treatment		
b	With treatment – please specify level of treatment		

4 **Provide details of total Scope 3 emissions & its intensity**

Parameter		Unit	FY 2022-2023	FY 2021-2022
i	Total Scope 3 emissions		Metric tonnes of CO2 equivalent	
ii	Total Scope 3 emissions per rupee of turnover			

5 **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities**

NA

6 **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Initiative undertaken	Details of the initiative	Outcome of the initiative
	Nil	

7 **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

IIL has plants operating in diverse geographic locations across India and in case of any disruption in production due to any natural or unnatural calamity at any one location, IIL can quickly manage and mitigate by ramping up production at other locations, therefore ensuring continuous supply of materials to our customers. All of IIL's critical information is backed at decentralized servers and cloud storage which prevents loss of any information or any unforeseen cyber security and data privacy threats.

8 **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Record the impact in future

9 **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1.a Number of affiliations with trade and industry chambers/ associations

i. Bombay Chambers of Commerce and Industry (BCCI)
ii. Crop Care federation of India (CCFI)
iii. Pesticides Manufacturer & Formulators Association of India

1.b **List the top 10 trade and industry chambers/ associations you are a member of/are affiliated to, on the basis of no. of members.**

S.no.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
i.	Bombay Chambers of Commerce and Industry (BCCI)	National
ii.	Crop Care federation of India (CCFI)	National
iii.	Pesticides Manufacturer & Formulators Association of India	National

2 **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

1 **Details of public policy positions advocated by the company**

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link
		Nil		

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1 **Details of Social Impact Assessments (SIA) undertaken by the company for projects in the current Financial Year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
		Not Applicable			

2 **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families	% of PAFs covered by R&R in the year	Amounts paid to PAFs in the FY
		Not Applicable			

3 **Describe the mechanisms to receive and redress grievances of the community**

Through IIL's Corporate Social Responsibility programs, company representatives frequently meets community stakeholders and key persons to understand the need of the communities the organization impacts and plans to execute requisite community development programs which emerge from the interactions. The said representative also collects the grievances of local communities and resolved them through adequate mechanisms.

4 **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-2023	FY 2021-2022
Directly sourced from MSMEs/ small producers	16.99	19.90
Sourced directly from within the district and neighbouring districts	NA	NA

Leadership Indicators

1 **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments.**

Details of negative social impact identified	Corrective action taken
Does not Accessed during the period	

2 **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount spent (In INR)
	Nil	

3a **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No

b **From which marginalized /vulnerable groups do you procure?**

Not Applicable

c **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4 **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

Intellectual Property based on traditional knowledge	owned/ acquired	Benefit shared	Basis of calculating benefit share
	Nil		

5 **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

Name of authority	Brief of the Case	Corrective action taken
	Nil	

6 **Details of beneficiaries of CSR Projects**

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
The company's CSR projects is to reach out to the most vulnerable and marginalized communities from the urban and rural population. This year through various programmes undertaken by IIL Foundation and implementing agencies more than 1.00 million number of people benefited through the CSR projects undertaken by the CO.		

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

Essential Indicators

1 **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

IIL is obligated to have a single customer care number to comply with legal requirements. This number is provided on each product label to address general queries and provide information. The customer care team also offers on-site support for such inquiries, and all queries are recorded in a register at each plant site. Additionally, the company emphasizes the responsible and careful use of agrochemicals.

2 **Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:**

	%age of products and services carrying information
Environmental and social parameters relevant to the product	Not applicable as no such mechanism exists
Safe and responsible usage	
Recycling and safe disposal	

3 **Number of consumer complaints in respect of different categories:**

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	NIl	NIl	NIl	NIl	NIl	NIl
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
other	Nil	Nil	Nil	Nil	Nil	Nil

4 **Details of instances of Product Recalls on account of safety issues.**

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5 **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the company has a framework in place to ensure the application of appropriate methodologies, processes, and systems for monitoring and evaluating risks related to cyber security and data privacy. The Risk Management Committee reviews the framework on a quarterly basis.

6 **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

a) Privacy impact assessment along with critical data flow identification is in process.
b) Data privacy session for HR and Finance has been conducted.
c) Privacy day was celebrated along with required communications and sessions conducted.
d) Employee communications are held on a regular basis.

Leadership Indicators

1 **Channels / platforms where information on products and services of the company can be accessed (provide web link if applicable).**

Information relating to all products of the Company are available on the website at www.insecticidesindia.com. Additionally, it is also available on the 'Insecticides india' - an App and various social media platforms such as Facebook, YouTube and Instagram.

2 **Steps taken to inform and educate consumers, especially vulnerable and marginalised consumers, about safe and responsible usage of products and services.**

The product information, including the MRP label stating the price, part quantity, description, and date of manufacture, is displayed on the product label as per Legal Metrology Packaged Commodities Guideline.

3 **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The entity informs its customers about the disruption or discontinuation of essential services

4 **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No

5 **Provide the following information relating to data breaches:**

a	Number of instances of data breaches along-with impact	Nil
b	Percentage of data breaches involving personally identifiable information of customers	Not Applicable

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Code of Governance

Insecticides (India) Limited ("Insecticides India" or "IIL") upholds a corporate governance philosophy revolves around the principles of fair and transparent practices, in alignment with the core tenets of Good Corporate Governance. This philosophy is underpinned by values such as Concern, Commitment, Ethics, Excellence, and Learning, permeating all its interactions and engagements with Stakeholders, Clients, Associates, and the broader Community.

The company holds in high regard the inherent rights of its shareholders to access information concerning its performance. To this end, the company's corporate governance policies ensure, among other things, the accountability of the Board of Directors and the significance of its decisions for all participants within its ecosystem, including Employees, Investors, Customers, and Regulatory bodies.

Recognizing that sound Corporate Governance is an ongoing journey, the company remains dedicated to enhancing its corporate governance practices, in order to consistently meet the expectations of its Shareholders.

II. Board of Directors

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.

i. Composition of Board

As on March 31, 2023, the Company has nine Directors. Out of nine directors, five (i.e. 55.55%) 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').

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, 2023 have been made by the Directors. None of the Directors are related to each other except Shri Hari Chand Aggarwal, Shri Rajesh Kumar Aggarwal and Smt. Nikunj Aggarwal.

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.

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.

Lead Independent Director

The Board has designated Mr. S. Jayaraman as the Lead Independent Director. The role of the Lead Independent Director is available on the Company's website at www.insecticidesindia.com

Board Meetings

Six (6) 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: May 26, 2022; August 12, 2022; August 20, 2022; September 30, 2022; November 07, 2022 and February 13, 2023. The necessary quorum was present for all the meetings.

ii. The details relating to Composition & Category of Directors, directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies as on March 31, 2023 is as follows:

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 and Whole Time Director	6	Yes	-	-	-	1385100
Shri Rajesh Kumar Aggarwal (DIN:00576872)	Managing Director	6	Yes	4	-	-	1983180
Smt. Nikunj Aggarwal (DIN:06569091)	Whole time Director	6	Yes	-	-	-	4687500
Shri. Anil Kumar Goyal (DIN: 09707818)#	Whole time Director	3	No	-	-	-	-
Shri Navin Shah (DIN:02701860)	Independent Director	4	Yes	1	-	-	-
Shri Virjesh Kumar Gupta (DIN:06382540)	Independent Director	6	Yes	-	-	-	-
Shri S. Jayaraman (DIN:02634470)	Independent Director	6	Yes	-	-	-	-
Smt. Praveen Gupta (DIN: 00180678)	Independent Director	6	Yes	3	1	4	-
Shri Anil Kumar Bhatia (DIN: 09707921)*	Independent Director	3	No	-	-	-	-

 # Mr. Anil Kumar Goyal has been appointed as Whole-time director of the Company in the 25th AGM w.e.f August 20, 2022

**Mr. Anil Kumar Bhatia has been appointed as an Independent Director of the Company in the 25th AGM w.e.f August 20, 2022*

- **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 Kumar Aggarwal	-
Smt. Nikunj Aggarwal	-
Shri. Anil Kumar Goyal	-
Shri Navin Shah	-
Shri Virjesh Kumar Gupta	-
Shri S. Jayaraman	-
Smt. Praveen Gupta	Advance Steel Tubes Limited, Independent Director
	Prakash Pipes Limited, Independent Director
	Sophia Exports Limited, Independent Director
Shri. Anil Kumar Bhatia	-

iii. Relationship among the Directors

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

iv. During the year 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

v. The details of the familiarization programme of the Independent Directors and terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at: https://www.insecticidesindia.com/investors-desk/

vi. During the FY 2022-2023, information outlined in Part A of Schedule II of SEBI Listing Regulations has been placed before the Board. Furthermore, the board periodically reviews the compliance reports of all laws applicable to the Company.

vii. 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 Kumar Aggarwal	Mrs. Nikunj Aggarwal	Mr. Anil Kumar Goyal	Mr. Navin Shah	Mr. S. Jayaraman	Mr. Vrijesh Kumar Gupta	Mrs. Praveen Gupta	Mr. Anil Kumar Bhatia
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	✓	✓	-	✓	✓	✓	✓	✓	✓

Core skills/ Experience/ Competence	Actual Availability with current board	Mr. Hari Chand Aggarwal	Mr. Rajesh Kumar Aggarwal	Mrs. Nikunj Aggarwal	Mr. Anil Kumar Goyal	Mr. Navin Shah	Mr. S. Jayaraman	Mr. Vrijesh Kumar Gupta	Mrs. Praveen Gupta	Mr. Anil Kumar Bhatia
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	✓	✓	✓	✓	✓	✓	✓	✓	✓

viii. 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.

ix. 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.

x. During the year 2022-23, Two meeting of the Independent Directors was held on May 26, 2022 and February 13, 2023. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole. None of the Independent Director resigned before the expiry of his/ her tenure.

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. Risk Management Committee
6. Finance Committee

1. Audit Committee

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

During the year under review, Six (6) Audit Committee Meetings were held on May 26, 2022; August 12, 2022; August 20, 2022; September 30, 2022; November 07, 2022; and February 13, 2023. 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
Smt. Praveen Gupta	Independent Director - Chairman	6	6
Shri S. Jayaraman	Independent Director - Member	6	6
Shri Virjesh Kumar Gupta	Independent Director - Member	6	6

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.

u) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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, Six (6) Nomination and Remuneration Committee Meetings were held on May 26, 2022; August 12, 2022; August 20, 2022; September 30, 2022; November 07, 2022; and February 13, 2023. 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	6	6
Shri Virjesh Kumar Gupta	Independent Director - Member	6	6
Shri Navin Shah	Independent Director - Member	6	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.

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, Four (4) Stakeholders Relationship Committee Meetings were held as on May 26, 2022; August 12, 2022; November 07, 2022; and February 13, 2023. 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	2
Shri Praveen Gupta	Independent Director - Member	4	4

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	08	08	Nil
2	Annual Report in Hard Copy	01	01	Nil
3	Other	13	13	Nil
	Total	**22**	**22**	**Nil**

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

Compliance officer

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

4. Corporate Social Responsibility (CSR) Committee

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

During the year, Four (4) meetings of the Corporate Social Responsibility Committee were held on May 26, 2022; August 12, 2022; November 07, 2022 and February 13, 2023. 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 Kumar Aggarwal	Executive Director - Member	4	4
Virjesh Kumar Gupta	Independent Director - Member	4	4

The Company Secretary acted as the Secretary to the Committee.

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. Risk Management Committee

Risk Management Committee has been constituted as per the requirement of Regulation 21 of the Listing Regulations. In order to strengthening Company's position in governance, risk management, sustainability and compliance (GRC) and also for the developing framework for risk management and stakeholders' value creation on sustainable basis.

The Company satisfies the requirement of Regulation 21 of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors.

During the year under review, Four (4) Risk Management Committee Meetings were held on May 26, 2022; August 12, 2022; November 07, 2022 and February 13, 2023.

The composition of the Risk Management Committee and attendance of members at the meetings of the Risk Management 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. Rajesh Kumar Aggarwal	Managing Director - Chairman	4	4
Shri S. Jayaraman	Independent Director - Member	4	4
Shri Praveen Gupta	Independent Director - Member	4	4

The Company Secretary acts as the Secretary to the Risk Management Committee.

Terms of Reference

1) To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   c) Business continuity plan.

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4) To periodically review the risk management policy, including by considering the changing industry dynamics and evolving complexity;

5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6) To review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any) in line with the SEBI LODR regulations.

7) Advise sustainable strategy and policy on climate change, health, safety and environment, social and community matters;

8) Ensure appropriateness of the Sustainability management systems and frameworks.

9) Ensure effectiveness of the company's external reporting of sustainability performance and its participation in external benchmarking indices.

10) Ensure that a safe and healthy working environment is a primary objective and is fundamental to the

Company's business operations;

11) Keep upto date with Environmental, Social and Governance (ESG) best practices and thought leadership.

12) Responsible for the oversight of diversity & inclusion (D&I) matters, people and community engagement and monitoring of corporate culture in support of the company's purpose and values, reporting to the Board on such matters as appropriate.

13) Balance non-financial targets and commitments with the sustainability strategy with the delivery of financial value for shareholders and other stakeholders.

14) Bring best practice thinking and ongoing awareness of global developments in sustainability.

15) Any other activities as per the requirement of the Listing Regulations and /or the Companies Act, 2013 and other applicable provisions or suggested norms, if any.

6. Finance Committee

The Board of Directors had re-constituted the Finance Committee and modified the term of reference of Finance Committee, during the year, Eleven (11) Finance Committee Meetings were held as on April 25, 2022; May 26, 2022; August 12, 2022; September 24, 2022; October 06, 2022; October 18, 2022; November 07, 2022; December 02, 2022; January 17, 2023; February 13, 2023 and March 20, 2023.

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 Kumar Aggarwal	Executive Director - Member	11	11
Smt. Nikunj Aggarwal	Executive Director - Member	11	11
Shri Sandeep Kumar Aggarwal	Chief Financial Officer	11	11

The Company Secretary acted as the secretary to the Committee.

Terms of Reference

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

b) Review of working capital and cash flow management;

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

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

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

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

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

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

i) Decision to open or close and authorise the persons/officer/ director for DEMAT, Trading and Bank Accounts for the Company for the purpose of investment or any other purpose

j) To make allotment pursuant to Bonus, right, preferential or any other kind of issue as approved by the Board and authorise personal of the Company for the matter incidental thereto;

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

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

m) Any other matter to execute the foregoing.

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

IV. Senior Management

a. Particulars of the Senior Management during the Financial Year ended March 31, 2023

S. No.	Name	Designation/ Nature of Duty	Qualification	Experience	Date of Joining
1.	Mr. Sandeep Aggarwal	CFO	CA	33 Years	01/08/2011
2.	Mr. Sandeep Kumar	CS	CS & LLB	14 Years	15/04/2017
3.	Mr. Srikant S. Satwe	Sr. VP - International Business	MSC and PGDMS	34 Years	08/12/2014
4.	Mr. P.C. Pabbi	Sr. VP - Commercial	Graduate	40 Years	01/11/2001
5.	Mr. M. K. Singhal	VP – Sales & Marketing	PGDM	40 Years	18/12/2001
6.	Mr. Sanjay Vats	VP – Sales & Marketing	BSc-Agriculture	35 Years	01/04/2003
7.	Mr. Sunil Kumar Wasan	VP - Purchase	B-tech in Chemicals	33 Years	23/02/2016
8.	Mr. Vinod Kumar Garg	VP – Sales & Marketing (South India)	B.Com, LLB	37 Years	01/06/2002
9.	Mr. Arun Kohli	VP – Institutional Sales	Phd, Management	42 Years	29/10/1960
10.	Mr. Sanjeev Aggarwal	VP - Operations	Bsc, PGDCA	32 Year	01/04/2002
11.	Dr. Lokesh Chander Rohela	AVP - Quality	Phd, Synthetic Organic Chemistry, IIT-Delhi	39 Years	09/01/2013
12.	Mr. Sanjay Singh	Sr. G.M - Market Development	MSC	29 Years	12/06/2012
13.	Mr. Prajapati Kirankumar Shashikant	Sr. GM Works	M. Tec	20.5 Years	18/04/2022
14.	Mr. Shailesh Kumar Kantibhai Patel	GM – R&D	M. Sc	30 Years	01/07/2019
15.	Dr. Mukesh Kumar Aggarwal	AVP – R&D	P.hd and MSC	29 Years	21/12/2001

b. During the period the changes in the senior management or key management personnel of the Company as follows:

S. No	Name	Designation	Qualification	Date of Appointment	Date of Resignation	Reason of Resignation
1.	Mr. Ajay Kumar Bhavsar	GM – Works	B.Sc	15/04/2021	30/04/2022	Exploring other opportunities
2.	Mr. Prajapati Kirankumar Shashikant	Sr. GM Works	M. Tec	18/04/2022	NA	NA

V. Remuneration of Directors:

a. Non-Executive Directors:

(₹ in Lacs)

Name	Sitting Fees (Rs.)
Shri Navin Shah	2.00
Shri Virjesh Kumar Gupta	3.00
Shri S. Jayaraman	4.20
Smt. Praveen Gupta	3.00
Shri Anil Kumar Bhatia	1.50

b. Chairman, Managing Director and Executive Director

(₹ in Lacs)

Name	Shri Hari Chand Aggarwal	Shri Rajesh Kumar Aggarwal*#	Smt. Nikunj Aggarwal*#	Shri Anil Kumar Goyal
Designation	Chairman and WTD	Managing Director	Whole-time Director	Whole-time Director
Salary & Allowances	110.02	93.27	43.07	9.01
Bonus/Performance Incentive	230.62	230.02	2.27	0.45
Perquisites	0.40	0.40	0.40	
Companies Contribution to PF	6.75	6.03	2.72	0.54
Stock options	NA	NA	NA	NA
Tenure	5 years	5 years	5 years	5 years
Notice Period & Severance Pay	Three Months	Three Months	Three Months	Three Months
Performance Criteria	As per Agreement	As per Agreement	As per Agreement	As per Agreement

Note:
**The above figures do not include amount of NPS, provisions for gratuity and premium paid for Group Health Insurance as separate actuarial valuation/ premium paid is not available.*
 # Premium paid for employer employee policies which will be assigned to the director upon completion

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.

VI. General Body Meetings

a) Annual General Meetings: Venue, Date & Time of last 3 (Three) Annual General Meetings:

AGM	Financial Year	Date	Time	Venue#
25th	2021-2022	September 23, 2022	03:00 PM	VC/OAVM
24th	2020-2021	September 09, 2021	03:00 PM	VC/OAVM
23rd	2019-2020	September 04, 2020	03:00 P.M	VC/OAVM

 # Video Conferencing/ Other Audio-Visual Means – Registered office shall be the Deemed venue

b) Special Resolution(s) passed in the previous 3 (Three) Annual General Meetings

Financial Year	Subject Matter	Date
25th	1) Re-appointment of Shri Hari Chand Aggarwal (DIN: 00577015) as Chairman & Whole-time Director for the period of 5 years w.e.f. October 01, 2022; 2) Re-appointment of Smt. Nikunj Aggarwal (DIN: 06569091) as Whole-time Director for the period of 5 years w.e.f. May 02, 2023; 3) Appointment of Shri Anil Kumar Goyal (DIN: 09707818) as a Whole-time Director for the period of 5 years w.e.f. August 20, 2022; 4) Appointment of Shri Anil Kumar Bhatia (DIN: 09707921) as an Independent Director for the period of 5 years w.e.f. August 20, 2022;	September 23, 2022
24th	1) Ratification of the age of Mr. Virjesh Kumar Gupta (DIN: 06382540) who will attain the age of Seventy Five Years	September 09, 2021
23rd	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.	September 04, 2020

c) No Extra-Ordinary General Meeting held during Financial Year 2022-2023

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.

VII. Means of Communication

Timely and transparent disclosure of pertinent and trustworthy information concerning corporate financial performance stands as the cornerstone of effective governance. To achieve this objective, key measures that have been implemented includes:

Quarterly Results

i. The quarterly and half-yearly results of the Company were announced within 45 days of the end of quarter and financial year end results were announced with 60 days of the end of the financial Year. In order to attain maximum shareholders, reach the results were published in leading newspaper in India which includes 'Business Standard (English) and 'Business Standard (Hindi). The results containing limited review report and audit report, as the case may be, are also displayed on Companies website https://www.insecticidesindia.com/investors-desk/.

ii. Press Releases and presentations on results from time to time are promptly made available on the Company's website http://www.insecticidesindia.com. The Company organizes earnings call with analysts and investors after the announcement of financial results. The transcript of the earnings call is also uploaded on the Company's website.

iii. The Company's official news and other important investor related information are periodically informed to the Stock Exchanges in a prompt manner 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.

iv. The Environmental, Social, and Governance (ESG) Report and Company's Annual Report is also available in a user-friendly and downloadable form. A Management Discussion and Analysis Report is a part of this Annual Report.

VIII. GENERAL SHAREHOLDER INFORMATION

i. 26th Annual General Meeting:

Date	:	September 23, 2023
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 Saturday, September 23, 2023.

ii. Financial Calendar

Financial Year	:	April 1 to March 31

iii. Calendar of financial year ended March 31, 2023

The meetings of Board of Directors for approval of quarterly/half-yearly /annually financial results during the financial year ended March 31, 2023 were held on the following dates:

First Quarter Results	:	August 12, 2022
Second Quarter/ Half yearly Results	:	November 07, 2022
Third Quarter Results	:	February 13, 2023
Fourth Quarter and Annual Results	:	May 26, 2023

Tentative Calendar of Board meetings to approve quarterly /half-yearly/annually financial results for the FY 2023-24 is given below:

First Quarter Results	:	On and before August 14, 2023
Second Quarter/ Half yearly Results	:	On and before November 14, 2023
Third Quarter Results	:	On and before February 14, 2024
Fourth Quarter and Annual Results	:	On and before May 30, 2024

iv. Dividend Payment

For the FY 2022-2023, the Company has already paid the interim divided of ₹3/- per share (i.e 30%) per equity shares (Face value of ₹10/- each). This interim dividend is being placed in the notice of the ensuing Annual General Meeting for confirmation by the shareholders of the Company.

v. Annual Book Closure : Not Applicable

vi. Unclaimed Dividends and Transfer to IEPF :

Pursuant to Section 124 of Companies Act, 2013 and Investor Education and Protection Fund Authority(Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Company has transferred the unpaid or unclaimed Interim dividend and all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more i.e. for the financial year(s) 2014-15 on the due date to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Pursuant to the Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 23, 2022 (date of last Annual General Meeting) on the website of the Company (www.insecticidesindia.com) and also on the website of the Ministry of Corporate Affairs.

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.

Detail of Unclaimed Dividend and equity shares transferred to IEPF:

Financial Year	Amount of Unclaimed dividend transferred (₹)	Number of Shares Transferred
2014-2015 (Final)	**68,000**	**452**

vii. 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 2022-23, has been paid by the Company to BSE and NSE. Annual custodian charges of Depository have also been paid to NSDL and CDSL.

viii. Stock Code / Symbol :

NSE - INSECTICID; BSE - 532851

ix. ISIN No. :

INE070I01018

x. Corporate Identification Number (CIN) of the Company :

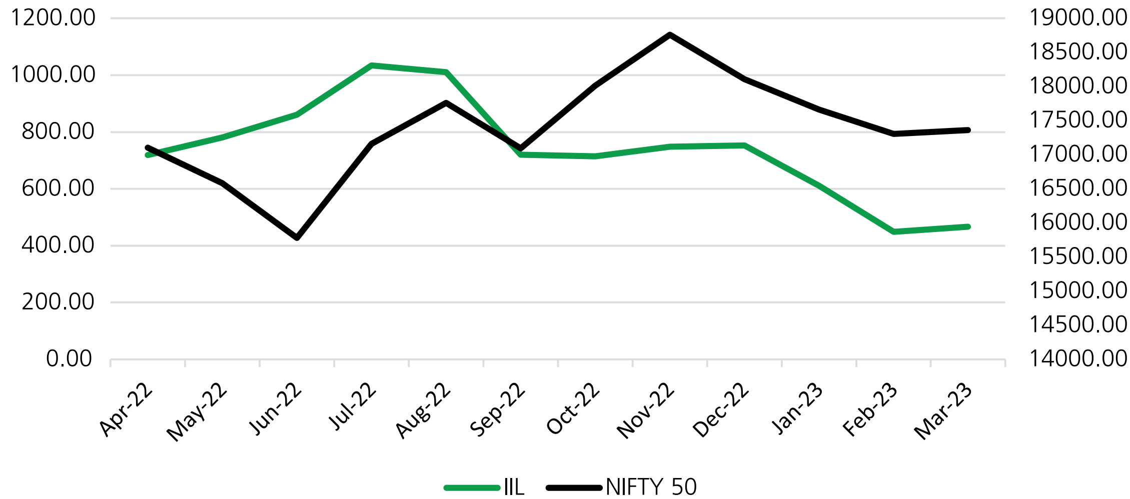
L65991DL1996PLC083909

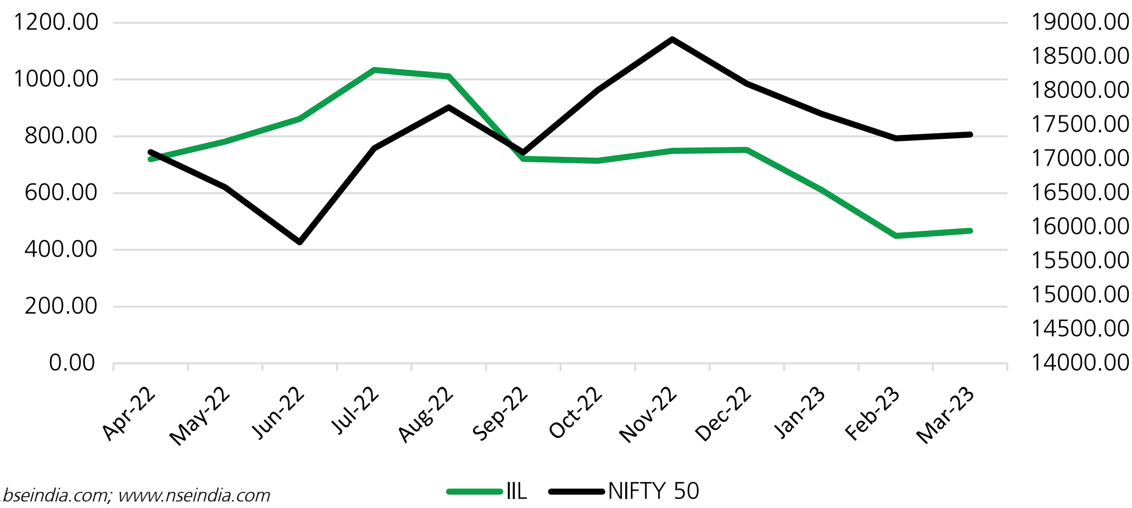
xi. Market Price data:

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 01st April, 2022 to 31st March, 2023 are given below:

Month	BSE Month's High Price (₹)	BSE Month's Low Price (₹)	BSE Traded Quantity	NSE Month's High Price (₹)	NSE Month's Low Price (₹)	NSE Traded Quantity
Apr-22	760.50	619.00	67575	757.35	613.55	978476
May-22	808.20	683.00	335200	809.00	687.35	1506031
Jun-22	888.00	751.10	117513	888.80	750.00	1235948
Jul-22	1049.50	838.55	120701	1049.00	839.00	1535575
Aug-22	1094.95	976.60	146271	1067.90	975.50	739708
Sep-22	1035.00	691.05	77697	1032.00	700.20	864745
Oct-22	752.10	695.55	38964	753.85	695.05	637350
Nov-22	789.00	715.10	34389	792.00	715.00	746703
Dec-22	771.00	703.85	21894	768.00	715.00	434932
Jan-23	746.45	574.25	19502	744.95	574.30	335453
Feb-23	639.00	429.30	24052	636.00	430.10	503864
Mar-23	498.90	420.00	36467	500.00	419.85	622166

xii. Share Performance of the Company's monthly Closing in comparison to NIFTY 50 & BSE Sensex:





Source: www.bseindia.com; www.nseindia.com
Note:
1) Closing Price of IIL during the Month
2) Share prices are not adjusted; the Company has made an Bonus share allotment as on October 04, 2022

xiii. Registrar and Share Transfer Agent

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

xiv. Share Transfer System

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

xv. Distribution of Shareholding as on March 31, 2023

a) Distribution of equity shareholding as on March 31, 2023:

Number of Shares	Number of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1 - 500	15917	94.96	901837	3.05
501 - 1000	440	2.63	311196	1.05
1001 - 2000	192	1.15	264122	0.89
2001 - 3000	57	0.34	138894	0.47
3001 - 4000	27	0.16	91589	0.31
4001 - 5000	28	0.17	126542	0.43
5001 - 10000	33	0.20	209252	0.71
10001 - 20000	17	0.10	254702	0.86
20001 - above	50	0.30	27299703	92.24
Total	**16761**	**100.00**	**29597837**	**100.00**

b) Categories of equity shareholders as on March 31, 2023

Category	No. of shares held	% of Share-holding
Promoter and Promoter Group (A)	**21357405**	**72.16**
Public Shareholding		
Mutual Funds	3146614	10.63
Alternate Investment Funds	40000	0.14
Foreign Portfolio Investor (Corporate)	1910978	6.46
Individuals	2141739	7.24
Any Other		
- Body Corporate	763909	2.58
- Trust	4917	0.02
- NRI	86147	0.29
- Resident HUF	122663	0.41
- Clearing Member	21403	0.07
- IEPF	2062	0.01
Total Public Shareholding (B)	**29597837**	**100**

xvi. 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, 2023, 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	1141268	3.86
Held in Dematerialized form in NSDL	28456507	96.14
Physical	62	0.00
Total	**29597837**	**100.00**

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.

xvii. 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.

xviii. Commodity Price Risks or foreign exchange risk and 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 along with Foreign Currency exposure is given under Note No. 33 of Standalone and Note No. 34 of Consolidated financial statement of the other notes on accounts of the Company.

xix. 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

xx. Address for Correspondence

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

To
The Company Secretary & Chief 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

xxi. 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.

xxii. Governance Policies

In line with Company's philosophy for adhering to ethical and governance standards and ensure fairness, accountability, responsibility and transparency to all its stakeholders, Company's, inter-alia, has the following policies and codes in place.

All the policies have been uploaded on the website of the Company: -

Name of the Policies	Weblink
Investor Grievance Redressal Policy (IGRP)	https://www.insecticidesindia.com/policies/
Dividend Distribution Policy	https://www.insecticidesindia.com/wp-content/uploads/2022/04/DividendDistributionPolicy.pdf
Corporate Social Responsibility Policy	https://www.insecticidesindia.com/wp-content/uploads/2021/02/CSR-Policy.pdf
Business Responsibility Policy	https://www.insecticidesindia.com/wp-content/uploads/2020/10/Business-Responsibility.pdf
Risk Management Policy	https://www.insecticidesindia.com/policies/
Whistle Blower policy	https://www.insecticidesindia.com/wp-content/uploads/2021/02/WhistleBlowerPolicy.pdf
Related Party Transaction Policy	https://www.insecticidesindia.com/wp-content/uploads/2022/05/RPTPolicy10022022.pdf
Code of Conduct for Prevention of Insider Trading	https://www.insecticidesindia.com/wp-content/uploads/2020/10/CodeofConduct-InsiderTradingAsAmended.pdf
Nomination and Remuneration and Board Diversity Policy	https://www.insecticidesindia.com/wp-content/uploads/2020/10/NR-POLICY-FINAL-AMEND-09.08.2016.pdf
Code of conduct for BOD and Senior management	https://www.insecticidesindia.com/wp-content/uploads/2020/10/CodeofConduct.pdf
Policy on Composition of various committees of board of directors;	https://www.insecticidesindia.com/policies/
Criteria of making payments to non-executive directors	https://www.insecticidesindia.com/wp-content/uploads/2020/10/Criteria-of-making-payment-to-Non-Executive-Directors.pdf
Policy and Procedures for Inquiry in Case of Leak or Suspected Leak of Unpublished price Sensitive Information	https://www.insecticidesindia.com/wp-content/uploads/2022/04/Insider-Trading.pdf
Archival Policy or Policy for Maintenance and Preservation of Documents	https://www.insecticidesindia.com/wp-content/uploads/2020/10/PRESERVATION-OF-DOCUMENTS-FINAL.pdf
Policy for Disclosure of Event or Information and Determination of Materiality	https://www.insecticidesindia.com/wp-content/uploads/2020/10/Policy1.pdf
Policy for Material subsidiaries	https://www.insecticidesindia.com/wp-content/uploads/2020/10/Policy-on-Material-Subsidiaries.pdf
Child Labour Policy	https://www.insecticidesindia.com/policies/
Anti Bribery & Corruption Policy	https://www.insecticidesindia.com/policies/
Information Security Policy	https://www.insecticidesindia.com/policies/
Forex Risk Management Policy	https://www.insecticidesindia.com/policies/
Policy on Prevention of Sexual Harassment of Women at Workplace Policy	https://www.insecticidesindia.com/wp-content/uploads/2023/01/POSH_Policy_2023.pdf

IX. Other 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 Standalone and Note No. 40 of Consolidated financial statement 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 2022-23, 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. **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 were no instances of non-compliances by the Company on any matter related to capital market. The Company has complied with the requirements of Listing Agreement as well as regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets for non-compliance by the Company during the last three years on any matter related to capital market.

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.

iii. **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/

iv. **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. The Company has also adopted some of the discretionary requirements as stated bellow:

Lead Independent Director

There is a Lead Independent Director to liaise on their behalf and ensure the Board's effectiveness to maintain high-quality governance of the organization and effective functioning of the Board.

Internal Auditor

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed Internal Auditor(s), who reports to the Audit Committee. Internal audit report(s) are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

E-voting Facility

The company is providing remote e-voting system to its shareholders at the Annual General Meeting.

Unmodified Opinion

During the year under review, there was no audit qualification on your Company's financial statements.

v. Material Subsidiary

Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a 'material subsidiary a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

During the year under review, the Company has no material subsidiaries.

vi. Web link where policy on dealing with related party transactions

The policy on Related Party Transactions as approved by the Board may be accessed on the Company's website at the link: https://www.insecticidesindia.com/investors-desk/

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

During the FY 2022-23, the Company had managed the foreign exchange risk by using forward contract and commodity price risk with back to back arrangement with customers and hedging of the currency.

viii. 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.

ix. Certificate from Practicing Company Secretary

A certificate from the company secretary in practice confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is annexed with the CG Report.

x. Disclosure of recommendations not accepted by the Board as recommended by the Committee which is mandatorily required

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

xi Total Fees for all services paid by the Company and its subsidiaries on consolidated basis to the Statutory Auditors of the Company and all entities in the network firm/network entities of which the statutory auditor is a part:

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 Standalone and Note No. 29(a) of Consolidated financial statement of the notes to accounts of the Company. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

xii. 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, 2023, the Company has received **Nil** Complaints on sexual harassment. Also no complaints have been unresolved or are pending in respect of sexual harassment before the Company.

xiii. Subsidiary Companies

Your Company has subsidiaries as disclosed in AOC-1, attached with this Annual Report. The Board of

Directors of the Company formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company.

xiv. Insider Trading Code in Terms of SEBI (Insider Trading) Regulations, 2015

The Board has formulated the Code of Practice for Fair Disclosure of Un-Published Price Sensitive Information and the Code of Conduct for regulating, monitoring and reporting of Trading of Shares by Insiders in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("Regulation").

The Board has also formulated and adopted a Policy on Determination of Legitimate Purpose as per the provisions of the Regulation. The above code lays down guidelines, procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them on consequences of non-compliances.

The copy of the same is available on the website of the Company at https://www.insecticidesindia.com/policies/

xv. 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.

xvi. Risk Management

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

xvii. 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, 2023. 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.

xviii. Proceeds from Public Issue, Rights Issue, Preferential Issues, etc.

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

xix. 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.

xx. 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.

xxi. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account– Not applicable

xxii. 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.

xxiii Disclosure of certain type of agreements binding listed entities

During the period, the agreements entered into by the Company fall within the normal course of business and do not bring about any alterations to the management or control of the company. Additionally, throughout this period, no agreement have been entered by its shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the company or subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

xxiv. The Company has not provided loans to firms/ companies in which directors are interested.

xxv. 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, 2023. The Annual Report of the Company contains declaration duly signed by the Managing Director.

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

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 10, 2023

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

I, Rajesh Kumar 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, 2023 compliance with the Code of Conduct of the Company laid down for them.

(Rajesh Kumar Aggarwal)
Managing Director
DIN: 00576872

Place: Delhi
Date: May 30, 2023

MD / CFO CERTIFICATION

IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT (PURSUANT TO REGULATION 17(8) AND 33(2)(a) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

We, Rajesh Kumar 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, 2023 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.

Place: Delhi	**Rajesh Kumar Aggarwal**	**Sandeep Aggarwal**
Date: May 30, 2023	Managing Director	Chief Financial Officer

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, 2023 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 (*)
1.	Mr. Hari Chand Aggarwal	00577015	12/10/2001
2.	Mr. Rajesh Kumar Aggarwal	00576872	18/12/1996
3.	Mrs. Nikunj Aggarwal	06569091	02/05/2013
4.	Mr. Virjesh Kumar Gupta	06382540	25/09/2012
5.	Mr. Navin Shah	02701860	23/06/2009
6.	Mr. S. Jayaraman	02634470	10/02/2016
7.	Mrs. Parveen Gupta	00180678	15/02/2020
8.	Mr. Anil Kumar Goyal	09707818	20/08/2022
9.	Mr. Anil Kumar Bhatia	09707921	20/08/2022

* As per MCA data

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.

Disclaimer: We have not been made available with details or clarification or Non Applicability certificate, with respect to debarment or disqualification pursuant to any order from civil or criminal court and thus we are unable to conclude any opinion on attraction of disqualification by any such order which have not been presented before us for reporting.

For M/s Akash Gupta & Associates
Company Secretaries
Sd/-
Akash Gupta
(Prop.)
M.NO. F12187
CP No. 11038

Place: New Delhi
Date: 10th August, 2023
UDIN: F012187E000762211

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 31,2023. 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, 2023.

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

(**Devesh Parekh**)
Partner
Membership No. 092160
Place: Dubai

Date: 10.08.2023
UDIN: 23092160BGVSFW4816

SECRETARIAL AUDIT REPORT

(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 2023

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

I have conducted the secretarial audit of the financial year ending on March 31st 2023 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 2023 ('the year'/ 'audit period'/ 'period under review').

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 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 2023, 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:

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 2022-23;

a) 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 2022-23;

b) Foreign Exchange Management (Borrowing or Lending) Regulations, 2018: The Company had not received any external commercial borrowings from outside India during the financial year 2022-23;

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;

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 2022-23, 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, 2023, 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, 2023, 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, 2023; 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 2022-23.

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. Mr. Anil Kumar Bhatia was appointed on the Board as an Independent Director and Mr. Anil Kumar Goyal was appointed as a Whole Time Director. The Directors were appointed in the Board Meeting held on 20th August, 2022.
- 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 respective board meeting of the Company.

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

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.:

1. The Company had declared final dividend for the Year 2021-2022 at the rate of Rs. 3/- per equity share of Rs. 10/- each fully paid up. The Company has also declared the payment of Interim Dividend for the Financial year 2022-23 on Equity Shares at the rate of 30% i.e. Rs. 3/- on every Equity Share of Rs. 10/- to the Shareholders.

2. The Company has has appointed 2 Directors on Board in its Board Meeting held on 20th August, 2022 i.e Mr. Anil Kumar Bhatia (DIN: 9707921), an Independent Director and Mr, Anil Kumar Goyal (DIN: 09707818), a Whole Time Director.

3. There was an increase in the Authorised capital of the Company and a consequent alteration in the Memorandum of Association. The Authorised Share Capital of the Company was increased from Rs. 25,00,00,000 (Rs. Twenty Five Crore only) Equity Shares of Rs. 10/- each to Rs. 35,00,00,000 (Rupees Thirty Five Crore only) Equity Shares of Rs. 10/- each by creation of additional 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each.

4. The Company had issued Bonus Shares of Rs. 10/- each credited as fully paid-up Equity Shares to the holders of the existing fully paid up Equity Shares of the Company. The Bonus Shares were given in proportion of 1 (one) Equity Share of Rs. 10/- each for every 2 (two) existing fully paid-up Equity Shares of Rs. 10/- each held by the Members of the Company.

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For M/s Akash Gupta & Associates
Company Secretaries

Akash Gupta
(Prop.)
Membership No. F12187
Certificate of Practice No. 11038
UDIN: F012187E000762145
Peer Review Certificate No. 2295/2022

Date: 10th August, 2023
Place: Delhi

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

Annexure A

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

Our report for the financial year ending 31.03.2023 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.

For M/s Akash Gupta & Associates
Company Secretaries

Akash Gupta
(Prop.)
Membership No. F12187
Certificate of Practice No. 11038
UDIN: F012187E000762145
Peer Review Certificate No. 2295/2022

Date: 10th August, 2023
Place: Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of Insecticides (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Insecticides (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, 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.

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	**<u>Principal Audit Procedures</u>**
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, 2023, the Company's Statement of Profit & Loss included Sales of Rs. 1,79,730.18 Lacs. 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.	• 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of the auditor's report.

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.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 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 an 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, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 statement 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 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 Company has disclosed the impact of pending litigations as on March 31, 2023 in 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.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. As stated in Note 36(b) to the standalone financial statements

   (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

   (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act

   (c) The Company has not proposed a final dividend for the year.

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Vijay Kumar
Partner
Membership number: 092671
UDIN: 23092671BGSICG6247

Place: New Delhi
Date : May 30, 2023

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

Devesh Parekh
Partner
Membership number: 092160
UDIN: 23092160BGVSFJ7368

Place: New Delhi
Date : May 30, 2023

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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

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

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment and right-of-use assets have been physically verified by the management according to the program 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 and Equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) Based on the information and explanation provided to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) We have been explained by the management that the inventory 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. Discrepancies of 10% or more in the aggregate for each class of inventory were not noticed.

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits against security of current assets in excess of five crore rupees, in aggregate, from banks or financial institutions. Based upon the audit procedure performed by us, the quarterly returns or statements filed by the company with such banks or financial institutions are materially in agreement with the books of account of the Company.

iii. The Company has not made an investment, not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties in. Accordingly, the provision of clause 3 (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 sections 185 and 186 of the Act.

viii. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to76 of the Act or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

ix. 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.

x. (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, 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, 2023, except in case of provident fund there is delay in deposit of Rs. 13.78 Lakhs which is outstanding for more than 6 months.

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

S. No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where dispute is pending	Gross Liability (A)	Amount Deposited under protest (B)	Net Amount* (Rs. In Lacs) (A-B)
1	Gujarat Stamp Act, 1958	Stamp Duty	2013-14	Commissioner of Revenue Department, Tehsil Vagra, District Bharuch	89.60	19.60	70.00
2	Gujarat Value Added Tax Act, 2003	VAT & CST	2011-12 & 2012-13	Joint Commissioner of commercial Tax, Baroda	371.73	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	-	1.52
5	Central Excise Act, 1944	Excise Duty	2015-16, 2016-17 & 2017-18	Central Excise Audit Commissionerate, Samba	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	6.77	128.37
8	Central Sales Tax Act 1956	Central Sales Tax	2015-16 2016-17 and 01-04-2017 to 30-06-2017	Deputy Commissioner of Sales Tax/joint Commissioner of Sales Tax Tribunal, Maharashtra	23.12	3.26	19.86

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted on repayment of loans or other borrowings or in the payment of Interest thereon to any lender.

(b) According to the information and explanations given to us and based on our examination of records, the company has not been declared a willful defaulter by any bank or financial institution or other lender government or any government authority.

(c) According to the information and explanation given to us and based on our examination of records, the company has utilized the term loan for the purpose it was taken.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

(f) According to the information and explanation given to us and based on our examination of records, the company has not raised loans during the year on the pledge of securities held in its Subsidiaries, joint ventures or associate companies.

x. (a) According to the information and explanation given to us and based on our examination of records, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) According to the information and explanation given to us and based on our examination of records, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of audit report.

(c) According to the information and explanation given to us and based on our examination of records, no whistle blower complaints received by the Company during the year.

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

xiii. According to the information and explanation given to us and based on our examination of records, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanation given to us and based on our examination of records, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, therefore provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) According to the information and explanation given to us and based on our examination of records, the

Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(c) According to the information and explanation given to us and based on our examination of records, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(d) According to the information and explanation given to us and based on our examination of records, there are no core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016)

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Vijay Kumar
Partner
Membership number: 092671
UDIN: 23092671BGSICG6247

Place: New Delhi
Date : May 30, 2023

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

Devesh Parekh
Partner
Membership number: 092160
UDIN: 23092160BGVSFJ7368

Place: New Delhi
Date : May 30, 2023

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 Reporting 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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 & Company**
Chartered Accountants
Firm's registration number: 000756N

Vijay Kumar
Partner
Membership number: 092671
UDIN: 23092671BGSICG6247

Place: New Delhi
Date : May 30, 2023

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

Devesh Parekh
Partner
Membership number: 092160
UDIN: 23092160BGVSFJ7368

Place: New Delhi
Date : May 30, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

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

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
1. Non-Current Assets			
(a) Property, plant and equipment	3(a)	22,980.62	22,085.76
(b) Capital work-in-progress	3(b)	11,745.39	8,576.95
(c) Right-of-use assets	4	2,497.29	2,595.84
(d) Other intangible assets	5(a)	695.24	616.21
(e) Intangible assets under development	5(b)	558.34	520.62
(f) Investment in subsidiary and joint venture	6	913.00	795.00
(g) Financial assets			
(i) Investments	7(a)	631.80	520.34
(ii) Other financial assets	7(b)	205.56	261.55
(h) Income tax assets (net)	8	2,628.84	1,686.31
(i) Other non-current assets	9	3,316.89	1,447.17
Total Non-Current Assets		**46,172.97**	**39,105.75**
2. Current Assets			
(a) Inventories	10	86,172.07	63,022.42
(b) Financial assets			
(i) Trade receivables	11(a)	29,624.44	28,891.23
(ii) Cash and cash equivalents	11(b)	1,838.31	3,598.30
(iii) Bank balances other than (ii) above	11(c)	106.59	15.58
(iv) Loans	11(d)	19.23	12.87
(v) Other financial assets	11(e)	89.40	207.48
(c) Other current assets	12	5,345.23	4,526.21
Total Current Assets		**123,195.27**	**100,274.09**
Total Assets		**169,368.24**	**139,379.84**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,959.78	1,973.19
(b) Other equity	14	88,609.09	84,748.02
Total Equity		**91,568.87**	**86,721.21**
Liabilities			
1 Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15(a)	185.93	185.03
(ii) Lease liabilities	15(b)	216.89	254.31
(b) Provisions	16(a)	183.22	161.05
(c) Deferred tax liabilities (net)	17	1,265.24	1,279.23
Total Non-Current Liabilities		**1,851.28**	**1,879.62**
2 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	18(a)	15,721.03	4,754.26
(ii) Lease liabilities	15(b)	145.86	201.36
(iii) Trade payables	18(b)		
(A) total outstanding due of micro enterprises and small enterprises		2,705.98	2,445.13
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		42,120.06	29,933.74
(iv) Other financial liabilities	18(c)	3,147.81	2,894.01
(b) Other current liabilities	19	11,858.98	10,335.89
(c) Provisions	16(b)	248.37	176.71
(d) Current tax liabilities (net)	20	-	37.91
Total current liabilities		**75,948.09**	**50,779.01**
Total equity & liabilities		**169,368.24**	**139,379.84**

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

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

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

VIJAY KUMAR
Partner
Membership No.- 092671

For DEVESH PAREKH & CO.
Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
Partner
Membership No.- 092160

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INSECTICIDES (INDIA) LIMITED
CIN : L65991DL1996PLC083909

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	21	180,132.85	150,395.80
Other income	22	126.39	427.15
Total income		**180,259.24**	**150,822.95**
Expenses			
Cost of raw material and components consumed	23	139,946.52	103,654.17
Purchase of traded goods		11,212.48	6,085.85
Changes in inventories of finished goods, work-in-progress and traded goods	24	(12,596.77)	1,010.36
Employee benefits expense	25	9,838.05	8,664.98
Finance costs	26	1,345.10	663.38
Depreciation and amortization expense	27	2,610.18	2,634.91
Other expenses	28	19,542.97	14,012.76
Total expenses		**171,898.53**	**136,726.41**
Profit before tax and exceptional items		**8,360.71**	**14,096.54**
Exceptional items		-	-
Profit before tax		**8,360.71**	**14,096.54**
Tax expenses	30		
- Current tax		2,082.85	3,480.10
- Deferred tax		(20.89)	(85.69)
Total tax expenses		**2,061.96**	**3,394.41**
Profit for the year		**6,298.75**	**10,702.13**
Other comprehensive income	31		
Items that will not be reclassified subsquently to profit or loss			
Equity instruments through other comprehensive income		111.46	158.35
Remeasurement of the net defined benefit plans		(75.76)	(30.40)
Income tax relating to these items		(6.90)	(29.24)
Total of other comprehensive income for the year (net of tax)		**28.80**	**98.71**
Total comprehensive income for the year (net of tax)		**6,327.55**	**10,800.84**
Earnings per equity share (in INR)	42		
- Basic		21.28	36.04
- Diluted		21.28	36.04

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

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

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration
No. - 000756N

VIJAY KUMAR
Partner
Membership No.- 092671

For DEVESH PAREKH & CO.
Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
Partner
Membership No.- 092160

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INSECTICIDES (INDIA) LIMITED
CIN : L65991DL1996PLC083909

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

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

(A) Equity share capital

(1) Current reporting period

Particulars	Balance at the beginning of the current reporting period April 01, 2022	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period March 31, 2023
Equity share capital (Refer note 13)	**1,973.19**	-	**1,973.19**	986.59	**2,959.78**

(2) Previous reporting period

Particulars	Balance at the beginning of the current reporting period April 01, 2021	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period March 31, 2022
Equity share capital (Refer note 13)	**2,066.78**	-	**2,066.78**	(93.59)	**1,973.19**

(B) Other equity

Particulars	Reserves and surplus				Other reserves	Total Other Equity
	Securities premium	General reserve	Capital redemption reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at April 1, 2021	**10,410.18**	**3,201.52**	**-**	**66,124.12**	**37.16**	**79,772.98**
Profit for the year				10,702.13		10,702.13
Other comprehensive income (net of tax)				(22.75)	121.46	98.71
Total comprehensive income for the year				**10,679.38**	**121.46**	**10,800.84**
Buy-back of equity shares including premium, expenses & taxes (Refer note 14)	(5,825.80)					(5,825.80)
Transfer on account of buy back of shares		(93.59)	93.59			-
Balance as at March 31, 2022	**4,584.38**	**3,107.93**	**93.59**	**76,803.50**	**158.62**	**84,748.02**
Profit for the year				6,298.75		6,298.75
Other comprehensive income (net of tax)				(56.70)	85.50	28.80
Total comprehensive income for the year				**6,242.05**	**85.50**	**6,327.55**
Issue of bonus shares (Refer note 14)	(986.59)					(986.59)
Final dividend paid during the year				(591.96)		(591.96)
Interim dividend paid during the year				(887.93)		(887.93)
Balance as at March 31, 2023	**3,597.79**	**3,107.93**	**93.59**	**81,565.66**	**244.12**	**88,609.09**

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

Summary of Significant Accounting Policies 1 to 2

Notes to Financial Statements 3 to 51

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

VIJAY KUMAR
Partner
Membership No.- 092671

For DEVESH PAREKH & CO.
Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
Partner
Membership No.- 092160

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INSECTICIDES (INDIA) LIMITED
CIN : L65991DL1996PLC083909

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cash Flow From Operating Activities		
Net profit before tax	**8,360.71**	**14,096.54**
Adjustment on account of		
- Depreciation	2,610.18	2,634.91
- (Profit)/Loss on sale of assets	6.65	129.20
- Net gain on lease modification	(13.34)	(5.19)
- Interest income	(11.83)	(48.58)
- Dividend income	(20.31)	(10.22)
- Interest expenses	1,345.10	663.38
- Bad debts written off	26.71	140.43
- Provision for impairment of trade receivables	25.34	359.99
- Derivative (gain) / loss	48.08	(116.04)
- Unrealised exchange differences	(244.58)	(102.27)
Operating Profit Before Working Capital Changes	**12,132.71**	**17,742.15**
Adjustments for		
- (Increase)/Decrease in security deposits	(43.73)	121.90
- (Increase)/Decrease in inventories	(23,149.65)	3,064.84
- (Increase)/Decrease in trade receivables	(731.44)	(3,864.94)
- (Increase)/Decrease in loans	(6.35)	(7.79)
- (Increase)/Decrease in other financial assets	85.81	302.71
- (Increase)/Decrease in other current assets	(831.97)	3,780.99
- Increase/(Decrease) in provisions	18.07	(244.35)
- Increase/(Decrease) in trade payables	12,637.93	(3,790.33)
- Increase/(Decrease) in other financial liabilities	366.69	121.70
- Increase/(Decrease) in other current liabilities	1,523.10	314.42
Cash generated from operations	**2,001.17**	**17,541.30**
Less: Income tax paid	(3,063.29)	(4,056.42)
Net cash flow (used in) / from operating activities (A)	**(1,062.12)**	**13,484.88**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets, capital-work-in-progress and intangible assets under development	(8,658.79)	(6,727.91)
- Proceeds from sale of property plant and equipment	73.32	37.15
- Interest received	11.83	48.58
- Proceeds from / (investment in) bank deposits	8.71	7,563.40
- Inter corporate loans (given)/received back	-	-
- Dividends received	11.76	9.71
- Investment in equity shares of subsidiary co.	(118.00)	-
Net cash flow (used in) / from Investing Activities (B)	**(8,671.17)**	**930.93**
(C) Cash Flow From Financing Activities		
- Payment due to buyback of equity shares including premium, expenses & taxes	-	(5,919.39)
- Repayment of long term borrowings	(288.86)	(205.44)
- Proceeds from long term borrowings	289.76	150.84
- Proceeds/(Repayment) from/of short term borrowings	10,966.77	(4,633.49)
- Payment of lease liabilities	(199.07)	(183.99)
- Interest paid	(1,315.41)	(672.40)
- Dividend paid (final & interim)	(1,479.89)	-
Net cash flow (used in) / from financing activities (C)	**7,973.30**	**(11,463.87)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(1,759.99)**	**2,951.94**
Cash and cash equivalents at the beginning of the year	3,598.30	646.36
Cash and cash equivalents at the end of the year	**1,838.31**	**3,598.30**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks on current accounts	1,830.65	3,592.17
Cash on hand	7.66	6.13
Total cash and cash equivalents	**1,838.31**	**3,598.30**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2022	Cash flows	Other non cash changes	As at March 31, 2023
Long term borrowings (including current maturities)	185.03	0.90	-	**185.93**
Lease liabilities (including current maturities)	455.67	(199.07)	106.15	**362.75**
Short term borrowings	4,754.26	10,966.77	-	**15,721.03**
	5,394.96	**10,768.60**	**106.15**	**16,269.71**

Particulars	As at April 1, 2021	Cash flows	Other non cash changes	As at March 31, 2022
Long term borrowings (including current maturities)	239.63	(54.60)	-	**185.03**
Lease liabilities (including current maturities)	416.77	(183.99)	222.89	**455.67**
Short term borrowings	9,387.75	(4,633.49)	-	**4,754.26**
	10,044.15	**(4,872.08)**	**222.89**	**5,394.96**

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

Summary of Significant Accounting Policies 1 to 2

Notes to Financial Statements 3 to 51

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

VIJAY KUMAR
Partner
Membership No.- 092671

For DEVESH PAREKH & CO.
Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
Partner
Membership No.- 092160

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INSECTICIDES (INDIA) LIMITED
CIN : L65991DL1996PLC083909

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

Notes to standalone financial statements for the year ended March 31, 2023

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 May 30, 2023.

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

i) Expected to be realised or intended to be sold or consumed in normal operating cycle,
ii) Held primarily for the purpose of trading,
iii) 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

Notes to standalone financial statements for the year ended March 31, 2023

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,

Notes to standalone financial statements for the year ended March 31, 2023

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.

Notes to standalone financial statements for the year ended March 31, 2023

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.

Notes to standalone financial statements for the year ended March 31, 2023

(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. All trade receivables do not contain a significant financing component and are measured at transaction price.

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

Notes to standalone financial statements for the year ended March 31, 2023

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	360-720days	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 standalone financial statements for the year ended March 31, 2023

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

3(a) Property, plant and equipment

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2022	Addition	Sale / Adjustment	Balance as at March 31, 2023	Balance as at April 01, 2022	Depreciation for the year		Balance as at March 31, 2023	As at March 31, 2023	As at March 31, 2022
						Depreciation	Disposal / Adjustments			
Freehold land	88.51	16.12	-	104.63	-	-	-	-	104.63	88.51
Buildings	9,306.86	1,231.39	-	10,538.25	1,535.30	331.48	-	1,866.78	8,671.47	7,771.56
Plant and machinery	19,759.24	1,602.89	10.68	21,351.45	7,424.84	1,510.75	2.65	8,932.94	12,418.51	12,334.40
Roads	1,330.39	-	-	1,330.39	922.30	153.70	-	1,076.00	254.39	408.09
Office equipments	157.08	19.68	0.49	176.27	102.61	17.66	0.39	119.88	56.39	54.47
Furniture & fixtures	238.36	5.56	-	243.92	120.76	23.31	-	144.07	99.85	117.60
Electrical fittings	472.55	18.09	-	490.64	281.83	25.89	-	307.72	182.92	190.72
Computers	256.21	15.60	0.32	271.49	175.30	28.74	0.21	203.83	67.66	80.91
Vehicles	1,568.68	355.52	171.10	1,753.10	529.18	198.49	99.37	628.30	1,124.80	1,039.50
Total	**33,177.88**	**3,264.85**	**182.59**	**36,260.14**	**11,092.12**	**2,290.02**	**102.62**	**13,279.52**	**22,980.62**	**22,085.76**

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Addition	Sale / Adjustment	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation for the year		Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
						Depreciation	Disposal / Adjustments			
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,562.76	744.10	-	9,306.86	1,233.23	302.07	-	1,535.30	7,771.56	7,329.53
Plant and machinery	17,357.33	2,683.90	281.99	19,759.24	6,017.12	1,577.40	169.68	7,424.84	12,334.40	11,340.21
Roads	1,330.39	-	-	1,330.39	768.59	153.71	-	922.30	408.09	561.80
Office equipments	139.63	22.42	4.97	157.08	89.65	16.90	3.94	102.61	54.47	49.98
Furniture & fixtures	251.61	5.45	18.70	238.36	109.01	24.75	13.00	120.76	117.60	142.60
Electrical fittings	415.88	56.67	-	472.55	227.63	54.20	-	281.83	190.72	188.25
Computers	235.25	21.12	0.16	256.21	148.69	26.66	0.05	175.30	80.91	86.56
Vehicles	1,493.94	199.78	125.04	1,568.68	427.86	179.16	77.84	529.18	1,039.50	1,066.08
Total	**29,875.30**	**3,733.44**	**430.86**	**33,177.88**	**9,021.78**	**2,334.85**	**264.51**	**11,092.12**	**22,085.76**	**20,853.52**

Note:-

a) **Contractual obligations -** Refer to note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) **Assets charged against borrowings -** Refer note 43 for property, plant and equipment pledged as security against current and non-current borrowings.

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

3(b) Capital Work In Progress

Cost	Amount
As at April 1, 2021	**5,187.22**
Additions	6,524.85
Capitalised during the year	(3,135.12)
As at March 31, 2022	**8,576.95**
As at April 1, 2022	**8,576.95**
Additions	5,813.91
Capitalised during the year	(2,645.47)
As at March 31, 2023	**11,745.39**

CWIP Aging Schedule:
As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	4,358.40	4,995.40	1,242.20	1,149.39	**11,745.39**
Projects temporarily suspended	-	-	-	-	-

CWIP Aging Schedule:
As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	6,068.29	1,331.24	527.61	649.81	**8,576.95**
Projects temporarily suspended	-	-	-	-	-

Note:-

Capital work-in-progress - Capital work-in-progress majorly comprises expenditure in the course of construction at Dahej and Chopanki Technical Plant.

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, 2022	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2023	Balance as at April 01, 2022	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	2,241.89	-	-	2,241.89	45.83	15.65	-	61.48	2,180.41	2,196.06
Office Premises	147.23	20.58	75.62	92.19	50.85	33.66	34.01	50.50	41.69	96.38
Warehouses	574.52	190.63	180.09	585.06	271.12	168.74	129.99	309.87	275.19	303.40
Total	**2,963.64**	**211.21**	**255.71**	**2,919.14**	**367.80**	**218.05**	**164.00**	**421.85**	**2,497.29**	**2,595.84**

insecticides (INDIA) LIMITED

Notes to standalone financial statements for the year ended March 31, 2023

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

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	2,241.89	-	-	2,241.89	30.17	15.66	-	45.83	2,196.06	2,211.72
Office Premises	124.48	119.99	97.24	147.23	95.67	49.95	94.77	50.85	96.38	28.81
Warehouses	629.37	126.50	181.35	574.52	285.34	151.18	165.40	271.12	303.40	344.03
Total	**2,995.74**	**246.49**	**278.59**	**2,963.64**	**411.18**	**216.79**	**260.17**	**367.80**	**2,595.84**	**2,584.56**

5. Other Intangible assets and intangible assets under development

5(a) Other intangible assets

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2022	Addition	Sale / Adjustment	Balance as at March 31, 2023	Balance as at April 01, 2022	Amortisation for the year		Balance as at March 31, 2023	As at March 31, 2023	As at March 31, 2022
						Amortisation	Disposal / adjustment			
Software	132.92	41.50	-	174.42	45.47	21.44	-	66.91	107.51	87.45
Website	1.00	-	1.00	-	0.60	0.40	1.00	-	-	0.40
Patents, trademarks and designs	721.41	139.64	3.66	857.39	193.05	80.27	3.66	269.66	587.73	528.36
Total	**855.33**	**181.14**	**4.66**	**1,031.81**	**239.12**	**102.11**	**4.66**	**336.57**	**695.24**	**616.21**

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Addition	Sale / Adjustment	Balance as at March 31, 2022	Balance as at April 01, 2021	Amortisation for the year		Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
						Amortisation	Disposal / adjustment			
Software	187.94	43.00	98.02	132.92	129.07	14.42	98.02	45.47	87.45	58.87
Website	2.65	-	1.65	1.00	1.75	0.50	1.65	0.60	0.40	0.90
Patents, trademarks and designs	608.26	214.65	101.50	721.41	226.20	68.35	101.50	193.05	528.36	382.06
Total	**798.85**	**257.65**	**201.17**	**855.33**	**357.02**	**83.27**	**201.17**	**239.12**	**616.21**	**441.83**

5(b) Intangible assets under development*

Cost	Amount
As at April 1, 2021	**677.54**
Additions	100.73
Capitalised during the year	(257.65)
As at March 31, 2022	**520.62**
As at April 1, 2022	**520.62**
Additions	206.36
Capitalised during the year	(168.64)
As at March 31, 2023	**558.34**

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

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

Intangible assets under development aging schedule:
As at March 31, 2023

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	193.07	15.58	78.27	271.42	**558.34**
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule:
As at March 31, 2022

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	27.83	95.35	150.67	246.77	**520.62**
Projects temporarily suspended	-	-	-	-	-

6 Investment in subsidiary and joint venture - at cost

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in subsidiary		
Investment in unquoted equity shares - Fully paid-up - At cost		
11,80,000 (March 31, 2022: NIL) Equity shares of IIL Biologicals Limited at INR 10 each *	118.00	-
Investment in joint venture		
Investment in unquoted equity shares - Fully paid-up - At cost		
795,000 (March 31, 2022: 795,000) Equity shares of OAT & IIL India Lab.(P) Ltd. at INR 100 each	795.00	795.00
Total	**913.00**	**795.00**

* During the year, 11,80,000 equity shares of INR 10/- each (representing 100% of the total equity capital) of IIL Biologicals Limited were acquired by the Company. As a result, w.e.f. 18 July 2022, IIL Biological Limited became subsidiary of the Company.

7 Financial assets - non-current

7(a) Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments stated at fair value through OCI		
Investments in equity instruments - quoted (fully paid) - Listed at Tokyo Stock Exchange		
72,800 (March 31, 2022: 72,800) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company)	631.80	520.34
Total	**631.80**	**520.34**
Aggregate book value of quoted investments	631.80	520.34
Aggregate market value of quoted investments	631.80	520.34

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

7(b) Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposit accounts with banks having remaining maturity more than twelve months	37.04	136.41
Interest accrued on fixed deposit with banks	-	0.36
Security deposits	168.52	124.78
Total	**205.56**	**261.55**

8 Income tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax	2,628.84	1,686.31
[Net of provision for tax INR 2,123.47 (March 31, 2022: INR 3,601.85)]		
Total	**2,628.84**	**1,686.31**

9 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Capital advances		
-to related parties (refer note 38)	203.26	201.25
-to others	2,732.21	877.45
Advances other than capital advances		
Balances with government authorities	369.44	367.74
Prepaid expenses	11.98	0.73
Total	**3,316.89**	**1,447.17**

10 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
At the lower of cost and net realisable value		
Raw material	35,560.59	25,405.02
Packing material	2,157.30	1,713.55
Work-in-progress	8,797.17	6,037.81
Stock-in-trade (Traded goods)	1,712.16	1,740.89
Finished goods (Manufactured) {(INR 1.64 (March 31, 2022: INR 10.91) in transit}	37,821.26	27,955.12
Stores, Scrap material, Spares Parts & Fuel	123.59	170.03
Total	**86,172.07**	**63,022.42**

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

11 Financial assets - current

11(a) Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
- related parties (refer note 38)	474.00	138.62
- others	30,637.14	30,213.97
Less: Allowance for expected credit losses	(1,486.70)	(1,461.36)
Total (refer note 46)	**29,624.44**	**28,891.23**
Breakup of Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	29,624.44	28,891.23
Credit Impaired	1,486.70	1,461.36
Subtotal	**31,111.14**	**30,352.59**
Allowance for expected credit losses (refer note 35)	(1,486.70)	(1,461.36)
Total	**29,624.44**	**28,891.23**
(a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.	-	-
(b) Trade or Other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.	11.21	-
(c) Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.		
(d) For explanations on the Company's credit risk management processes, refer note 35.		

Trade receivable aging schedule

As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	20,685.51	8,567.03	260.16	310.15	30.53	130.96	**29,984.34**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	-	-	0.83	27.89	106.06	992.02	**1,126.80**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**20,685.51**	**8,567.03**	**260.99**	**338.04**	**136.59**	**1,122.98**	**31,111.14**
Allowance for expected credit losses	(20.63)	(24.43)	(13.05)	(169.02)	(136.59)	(1,122.98)	**(1,486.70)**
Net carrying amount	**20,664.88**	**8,542.60**	**247.94**	**169.02**	**-**	**-**	**29,624.44**

Notes to standalone financial statements for the year ended March 31, 2023

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

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	17,987.56	10,213.57	643.44	221.24	614.88	209.40	**29,890.09**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	0.73	7.59	2.03	2.09	184.56	265.50	**462.50**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**17,988.29**	**10,221.16**	**645.47**	**223.33**	**799.44**	**474.90**	**30,352.59**
Allowance for expected credit losses	(17.93)	(25.15)	(32.27)	(111.67)	(799.44)	(474.90)	**(1,461.36)**
Net carrying amount	**17,970.36**	**10,196.01**	**613.20**	**111.66**	**-**	**-**	**28,891.23**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

11(b) Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	1,830.65	3,592.17
Cash on hand	7.66	6.13
Total	**1,838.31**	**3,598.30**

11(c) Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
In earmarked accounts		
Unpaid dividend	5.23	4.29
Balances with banks		
On deposit accounts with remaining maturity less than twelve months	101.36	11.29
Total	**106.59**	**15.58**

11(d) Loans

Particulars	Interest rate	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
Loans to employees	-	19.23	12.87
Inter Corporate Loans	-	-	-
Total		**19.23**	**12.87**
Note:-			
Loans due from directors or other officers of the Company at the end of the period.		Nil	Nil

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

11(e) Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit and loss		
Derivative assets	43.27	84.08
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	17.20	8.65
Insurance claim recoverable	-	-
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	9.33	35.01
Interest subsidy recoverable	-	60.14
Total	**89.40**	**207.48**

12 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 38)	209.20	-
-to others	698.86	1,870.20
Advances to employees	14.39	23.80
Balances with government authorities	4,053.39	2,420.29
Prepaid expenses	369.39	211.92
Total	**5,345.23**	**4,526.21**
Advance due from directors or other officers at the end of the year	Nil	Nil
Advance due by firms or private companies in which any director of the company is a director or member	Nil	Nil

13 Equity share capital

Authorised share capital	Number of shares	INR
As at April 1, 2021	25,000,000	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2022	**25,000,000**	**2,500.00**
As at April 1, 2022	25,000,000	2,500.00
Increase/(decrease) during the year	10,000,000	1,000.00
At March 31, 2023	**35,000,000**	**3,500.00**

Issued equity share capital	Number of shares	INR
Equity shares of INR 10 each issued, subscribed and fully paid.		
As at April 1, 2021	20,667,796	2,066.78
Buyback during the year	(935,905)	(93.59)
At March 31, 2022	**19,731,891**	**1,973.19**
As at April 1, 2022	19,731,891	1,973.19
Issue of bonus shares during the year	9,865,946	986.59
At March 31, 2023	**29,597,837**	**2,959.78**

Notes to standalone financial statements for the year ended March 31, 2023

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

(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.

(b) Increase in Authorised Share Capital :

Authorised share capital of the Company is increased from INR 2500 Lacs consisting of 2,50,00,000 equity shares of face value of INR 10/- each to INR 3500 Lacs consisting of 3,50,00,000 equity shares of face value of INR 10/- each.

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

The Company has allotted 98,65,946 equity shares of face value of INR 10/- each as bonus shares in the proportion of One bonus equity share of face value of INR 10/- for every Two equity share of face value of INR 10/- held as on the record date, by capitalising an amount of INR 986.59 Lacs from securities premium. The bonus shares were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. October 17, 2022.

(d) Buyback of Shares :

The Board of Directors of the Company at its meeting held on March 30, 2021, 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.

During the year ended March 31, 2022, 9,35,905 equity shares amounting to INR 4,916.74 lacs were purchased from the Stock Exchanges. The Company created Capital Redemption Reserve amounting to INR 93.59 lacs, equivalent to the nominal value of the shares brought back as an appropriation of General Reserve. Further, the Board of Directors in their meeting held on August 10, 2021 decided to close the Buyback w.e.f closing of trading hours of August 10, 2021.

(e) The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% Held	Number of Shares	% Held
Nikunj Aggarwal	4,687,500	15.84	3,125,000	15.84
Sanskar Aggarwal	4,352,700	14.71	2,901,800	14.71
Pushpa Aggarwal	3,227,850	10.91	2,151,900	10.91
Rajesh Aggarwal (HUF)	2,929,500	9.90	1,953,000	9.90
HDFC Small Cap Fund	2,601,000	8.79	1,734,390	8.79
Hari Chand Aggarwal (HUF)	2,241,000	7.57	1,494,000	7.57
Rajesh Aggarwal	1,983,180	6.70	1,322,120	6.70

Notes to standalone financial statements for the year ended March 31, 2023

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

Details of shares held by promoters*

As at March 31, 2023

Particulars	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of INR 10 each fully paid	Nikunj Aggarwal	3,125,000	1,562,500	4,687,500	15.84%	50.00%
Equity shares of INR 10 each fully paid	Sanskar Aggarwal	2,901,800	1,450,900	4,352,700	14.71%	50.00%
Equity shares of INR 10 each fully paid	Pushpa Aggarwal	2,151,900	1,075,950	3,227,850	10.91%	50.00%
Equity shares of INR 10 each fully paid	Rajesh Aggarwal (HUF)	1,953,000	976,500	2,929,500	9.90%	50.00%
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	747,000	2,241,000	7.57%	50.00%
Equity shares of INR 10 each fully paid	Rajesh Aggarwal	1,322,120	661,060	1,983,180	6.70%	50.00%
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal	923,400	461,700	1,385,100	4.68%	50.00%
Equity shares of INR 10 each fully paid	Isec Organics Limited	254,550	127,275	381,825	1.29%	50.00%
Equity shares of INR 10 each fully paid	Kritika Aggarwal	112,500	56,250	168,750	0.57%	50.00%
Total		**14,238,270**	**7,119,135**	**21,357,405**	**72.16%**	

As at March 31, 2022

Particulars	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of INR 10 each fully paid	Nikunj Aggarwal	3,125,000	-	3,125,000	15.84%	-
Equity shares of INR 10 each fully paid	Sanskar Aggarwal	2,901,800	-	2,901,800	14.71%	-
Equity shares of INR 10 each fully paid	Pushpa Aggarwal	2,151,900	-	2,151,900	10.91%	-
Equity shares of INR 10 each fully paid	Rajesh Aggarwal (HUF)	1,953,000	-	1,953,000	9.90%	-
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	-	1,494,000	7.57%	-
Equity shares of INR 10 each fully paid	Rajesh Aggarwal	1,322,120	-	1,322,120	6.70%	-
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal	923,400	-	923,400	4.68%	-
Equity shares of INR 10 each fully paid	Isec Organics Limited	254,550	-	254,550	1.29%	-
Equity shares of INR 10 each fully paid	Kritika Aggarwal	112,500	-	112,500	0.57%	-
Total		**14,238,270**	**-**	**14,238,270**	**72.16%**	

*Promoter here means promoter as defined in the Companies Act, 2013.

** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Notes to standalone financial statements for the year ended March 31, 2023

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

14 Other equity

a) Reserves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	81,565.66	76,803.50
Securities premium	3,597.79	4,584.38
General reserve	3,107.93	3,107.93
Capital redemption reserve	93.59	93.59
Total reserves and surplus	**88,364.97**	**84,589.40**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Retained earnings		
Opening balance	76,803.50	66,124.12
Profit for the year	6,298.75	10,702.13
Items that will not be reclassified subsquently to profit or loss		
Remeasurements of the net defined benefit plans, net of tax	(56.70)	(22.75)
Final dividend paid during the year	(591.96)	-
Interim dividend paid during the year	(887.93)	-
Closing balance	**81,565.66**	**76,803.50**
(ii) Securities premium		
Opening balance	4,584.38	10,410.18
Premium paid on buy-back of equity shares including premium, expenses & taxes	-	(5,825.80)
Issue of bonus shares	(986.59)	-
Closing balance	**3,597.79**	**4,584.38**
(iii) General reserve		
Opening balance	3,107.93	3,201.52
Add: Appropriations	-	(93.59)
Closing balance	**3,107.93**	**3,107.93**
(iv) Capital redemption reserve		
Opening balance	93.59	-
Add: Appropriations	-	93.59
Closing balance	**93.59**	**93.59**
Total reserves and surplus	**88,364.97**	**84,589.40**

b) Other reserves

Particulars	As at March 31, 2023	As at March 31, 2022
Equity instruments through other comprehensive income	244.12	158.62
Total other reserves	**244.12**	**158.62**

Particulars	As at March 31, 2023	As at March 31, 2022
i) Equity instruments through other comprehensive income		
Opening balance	158.62	37.16
Change in fair value of equity instruments, net of tax	85.50	121.46
Closing balance	**244.12**	**158.62**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 31.		
Total other equity	**88,609.09**	**84,748.02**

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ 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 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, 2023 & March 31, 2022.

d) **Capital redemption reserve -** As per the Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

e) **Equity instruments through other comprehensive income -** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The company transfers amounts from this reserve within equity when the relevant equity securities are derecognised.

15 Financial liabilities - Non Current

15(a) Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Indian rupee loan from banks		
Term loans	-	-
Vehicle loans	410.36	375.29
Unsecured		
Loans from other parties	-	-
Total	**410.36**	**375.29**
Less: Current maturities of non-current borrowings (included in note 18(a))	224.43	190.26
Non-current borrowings	**185.93**	**185.03**
Loan guaranteed by directors	410.36	375.29

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.

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 standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

15(b) Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current	145.86	201.36
Non-current	216.89	254.31
Total	**362.75**	**455.67**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	**455.67**	**416.77**
Accretion of interest	45.03	49.87
Addition in lease liability	211.20	246.50
Repayment of lease liability	(244.10)	(233.86)
Derecognition of lease liability	(105.05)	(23.61)
Balance as at end of the year	**362.75**	**455.67**

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 2021-2030.

16(a) Short-term provision

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefit provisions		
Provision for gratuity	-	-
Provision for leave encashment	183.22	161.05
Total	**183.22**	**161.05**

16(b) Current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefit provisions		
Provision for gratuity	223.04	153.49
Provision for leave encashment	25.33	23.22
Total	**248.37**	**176.71**

(a) Defined contribution plan

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
During the year, the company has recognised the following amounts in the Statement of Profit and Loss: (note 25)		
Employer's contribution to Employee's Provident Fund (including admin charges)	475.40	413.46
Employer's contribution to Employee's State Insurance	15.89	13.70
Total	**491.29**	**427.16**

Notes to standalone financial statements for the year ended March 31, 2023

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

(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:

Particulars	As at March 31, 2023	As at March 31, 2022
Rate of discounting	7.39%	6.90%
Rate of salary increase	8.00%	8.00%
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%)	(For Service 2 years and below- 27%); (For Service 3 years to 4 years - 15%); (For Service 5 years and above- 8%)
Mortality rate during employment	IALM (2012-14)	IALM (2012-14)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	1,509.20	1,248.95
Interest cost	102.97	80.82
Current service cost	137.69	118.56
Past service cost	-	-
Benefits paid	(57.28)	(29.60)
Actuarial (gain) / loss		
Due to change in Demographic assumptions	-	0.41
Due to change in financial assumptions	(51.34)	(32.26)
Due to change in experience	82.50	122.32
Closing defined benefit obligation	**1,723.74**	**1,509.20**

Changes in the Fair Value of Plan Assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the year	1,355.71	859.98
Interest income	92.38	55.27
Contributions by the employer	154.49	410.00
Benefits paid	(57.28)	(29.60)
Return on plan assets, excluding interest income	(44.60)	60.06
Fair Value of Plan Assets at the End of the Period	**1,500.70**	**1,355.71**

Notes to standalone financial statements for the year ended March 31, 2023

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

Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	(1,723.74)	(1,509.20)
Fair value of plan assets	1,500.70	1,355.71
Plan asset / (liability)	**(223.04)**	**(153.49)**

Expenses recognised in profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net interest cost	10.59	25.55
Current service cost	137.69	118.56
Past service cost	-	-
Net expense *	**148.28**	**144.11**

* Includes INR 8.31 (March 31, 2022 - INR 7.79) transfer to Research & Development Expenditure

Expenses recognised in other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain) / loss on defined benefit obligation	31.16	90.47
Return on Plan Assets, excluding Interest Income	44.60	(60.06)
Total expense recognised in statement of other comprehensive income	**75.76**	**30.40**

Major categories of plan assets of the fair value of the total plan assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Total	In %	Total	In %
Insurance fund	1,500.70	100%	1,355.71	100%
Total	**1,500.70**	**100%**	**1,355.71**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligation (base)	1,723.74	1,509.20
Change in discount rate		
Increase by 1%	(95.51)	(89.79)
Decrease by 1%	108.33	102.29
Change in rate of salary increase		
Increase by 1%	99.83	95.27
Decrease by 1%	(92.16)	(87.40)
Change in rate of employee turnover		
Increase by 1%	(5.95)	(8.78)
Decrease by 1%	6.33	9.57

Notes to standalone financial statements for the year ended March 31, 2023

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

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	339.60	263.78
Between 1 and 5 years	600.13	502.00
Between 5 and 10 years	731.40	622.85
More than 10 years	1,379.49	1,257.55

(c) Risk exposure

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

17 Deferred tax liabilities (Net)

Particulars	As at April 1, 2022	(Charge)/ credit to Statement of Profit and Loss	(Charge) / credit to other comprehensive income	MAT credit utilised	As at March 31, 2023
Deferred tax liabilities					
Property, plant and equipment and intangible assets	1,673.25	2.20	-	-	1,675.45
Derivatives	21.16	(10.27)	-	-	10.89
Right-of-use asset	100.62	(20.87)	-	-	79.75
Investments	48.18	-	25.97	-	74.15
Total deferred tax liabilities	**1,843.21**	**(28.94)**	**25.97**	**-**	**1,840.24**
Deferred tax assets					
MAT credit	-	-	-	-	-
Allowance for expected credit losses	(367.79)	(6.37)	-	-	(374.16)
Derivatives	-	(1.83)	-	-	(1.83)
Borrowings	-	-	-	-	-
Lease liabilities	(111.18)	20.80	-	-	(90.38)
Employee benefit provisions	(85.01)	(4.55)	(19.07)	-	(108.63)
Total deferred tax assets	**(563.98)**	**8.05**	**(19.07)**	**-**	**(575.00)**
Net deferred tax liabilities	**1,279.23**	**(20.89)**	**6.90**	**-**	**1,265.24**

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

Particulars	As at April 1, 2021	(Charge)/ credit to Statement of Profit and Loss	(Charge) / credit to other comprehensive income	MAT credit utilised	As at March 31, 2022
Deferred tax liabilities					
Property, plant and equipment and intangible assets	1,756.29	(83.04)	-	-	1,673.25
Derivatives	2.37	18.79	-	-	21.16
Right-of-use asset	93.84	6.78	-	-	100.62
Investments	11.29	-	36.89	-	48.18
Total deferred tax liabilities	**1,863.79**	**(57.47)**	**36.89**	**-**	**1,843.21**
Deferred tax assets					
MAT credit	-	-	-	-	-
Allowance for expected credit losses	(277.19)	(90.60)	-	-	(367.79)
Derivatives	(10.42)	10.42	-	-	-
Borrowings	-	-	-	-	-
Lease liabilities	(101.64)	(9.54)	-	-	(111.18)
Employee benefit provisions	(138.85)	61.50	(7.66)	-	(85.01)
Total deferred tax assets	**(528.10)**	**(28.22)**	**(7.66)**	**-**	**(563.98)**
Net deferred tax liabilities	**1,335.69**	**(85.69)**	**29.24**	**-**	**1,279.23**

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, 2023	As at March 31, 2022
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr 23 - Aug 23	7.50% - 8.00%	12,216.38	1,847.89
Cash credit from banks	On demand	10.95%	3,280.22	2,716.11
Current maturities of non-current borrowings (refer note 15(a))			224.43	190.26
Total			**15,721.03**	**4,754.26**

Working Capital Loans (Loans repayable on demand, Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over entire current assets, present & future and entire movable fixed assets, present & future except for those specifically charged to other lender. These loans are additionally secured by equitable mortgage on pari passu basis over Factory Land & Building and Plant & Machinery at E-442, E-443 and E-444 at RIICO Industrial Area, Chopanki and negative lien on company's office at Azadpur (Delhi). Further, these loans have been personally guaranteed by Mr.Hari Chand Aggarwal and Mr. Rajesh Aggarwal, directors of the company.

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 standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

18(b) Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- related parties (refer note 38)	901.48	196.29
- others	43,924.56	32,182.58
Total	**44,826.04**	**32,378.87**

Particulars	As at March 31, 2023	As at March 31, 2022
(A) total outstanding due of micro enterprises and small enterprises	2,705.98	2,445.13
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	42,120.06	29,933.74
Total	**44,826.04**	**32,378.87**

As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,705.98	-	-	-	**2,705.98**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	42,082.63	37.43	-	-	**42,120.06**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,445.13	-	-	-	**2,445.13**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	29,912.31	21.30	0.09	0.04	**29,933.74**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**

Notes to standalone financial statements for the year ended March 31, 2023

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

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

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, 2023	As at March 31, 2022
Financial liabilities at amortised cost		
Security deposits received from customers	803.16	719.67
Creditors for capital expenditure	643.51	793.35
Interest accrued on borrowings	29.93	0.23
Employee payables		
- related parties (refer note 38)	37.92	15.61
- others	1,620.80	1,360.86
Unpaid dividend account	5.23	4.29
Financial liabilities at fair value through profit and loss		
Derivative liabilities	7.26	-
Total	**3,147.81**	**2,894.01**

19 Other current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers (refer note 46)	11,455.69	9,704.23
Statutory dues	403.29	631.66
Total	**11,858.98**	**10,335.89**

20 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payable	-	37.91
Total	**-**	**37.91**

21 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
Finished goods	164,501.62	142,156.92
Traded goods	15,228.56	7,667.30
Total	**179,730.18**	**149,824.22**
Other operating revenue		
Revenue from job work	-	11.79
Sale of scrap & others	80.24	106.71
Government grants *	322.43	453.08
Total revenue from operations	**180,132.85**	**150,395.80**

* 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.

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

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, 2023	Year ended March 31, 2022
Within India	170,338.78	136,748.50
Outside India	9,391.40	13,075.72
Total	**179,730.18**	**149,824.22**

Timing of revenue recognition

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
At a point in time		
Sale of finished goods	164,501.62	142,156.92
Sale of traded goods	15,228.56	7,667.30
Total	**179,730.18**	**149,824.22**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contract	198,133.36	164,538.76
Adjustments for variable consideration:		
Sales return	-	-
Discounts and rebates	(18,403.18)	(14,714.54)
Revenue from contracts with customers	**179,730.18**	**149,824.22**

c) Aggregate amount of the transaction price allocated to performance obligations that are unsatisfied at end of the year:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advance from customers* (refer note 46)	11,455.69	9,704.23
Revenue recognised from amounts included in advance from customers at beginning of the year	9,704.23	9,169.88

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, 2023, 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 standalone financial statements for the year ended March 31, 2023

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

22 Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
Fixed deposits with banks	8.30	46.53
Other assets	3.53	2.05
Dividend income from equity investments designated at fair value through other comprehensive income*	20.31	10.22
Net gain on lease modification	13.34	5.19
Miscellaneous income	80.91	76.74
Exchange difference (net)	-	170.38
Net gain on fair value changes	-	
Derivatives at FVTPL	-	116.04
Total other income	**126.39**	**427.15**

* All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period, and as these investments are not held for trade.

23 Cost of raw material and components consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw Material		
Inventory at the beginning of the year	25,405.02	27,360.29
Add: Purchases	139,034.03	91,686.65
	164,439.05	119,046.94
Less: inventory at the end of the year	35,560.59	25,405.02
Cost of raw material consumed	**128,878.46**	**93,641.92**
Packing Material		
Inventory at the beginning of the year	1,713.55	1,845.54
Add: Purchases	11,511.81	9,880.26
	13,225.36	11,725.80
Less: inventory at the end of the year	2,157.30	1,713.55
Cost of packing material consumed	**11,068.06**	**10,012.25**
Total Cost of raw material and components consumed	**139,946.52**	**103,654.17**

Details of purchase of traded goods

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Liquid	7,586.45	2,052.78
Powder	711.03	1,567.49
Granules	576.56	1,017.84
Cost of other goods	2,338.44	1,447.74
Total	**11,212.48**	**6,085.85**

Notes to standalone financial statements for the year ended March 31, 2023

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

24 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished goods	37,821.26	27,955.12
Semi-finished goods	8,797.17	6,037.81
Traded goods	1,712.16	1,740.89
	48,330.59	**35,733.82**
Inventories at the beginning of the year		
Finished goods	27,955.12	27,809.01
Semi-finished goods	6,037.81	7,803.01
Traded goods	1,740.89	1,132.16
	35,733.82	**36,744.18**
Total (Increase)/Decrease in inventories	**(12,596.77)**	**1,010.36**

Details of inventory	Year ended March 31, 2023	Year ended March 31, 2022
Traded goods		
Liquid	1,269.63	799.10
Powder	274.06	586.20
Granules	168.47	355.59
Total	**1,712.16**	**1,740.89**
Finished goods		
Liquid	20,304.89	12,196.03
Powder	3,964.39	5,402.85
Granules	5,522.93	4,167.40
Technicals	8,029.05	6,188.84
Total	**37,821.26**	**27,955.12**

25 Employee benefit expenses

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus		8,694.63	7,651.92
Contribution to provident and other funds	16(b)	510.36	441.32
Gratuity expense	16(b)	139.97	136.32
Staff welfare expenses		493.09	435.42
Total employee benefit expenses		**9,838.05**	**8,664.98**

26 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	35.21	33.00
Interest on CC Limits, buyer's credit and demand loans	1,004.89	366.48
Interest on Lease Liabilities	45.03	49.87
Interest (Others)	43.20	48.27
Other borrowings costs		
Bank charges	216.77	165.76
Total finance costs	**1,345.10**	**663.38**

Notes to standalone financial statements for the year ended March 31, 2023

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

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of tangible assets	3(a)	2,290.02	2,334.85
Depreciation of right-of-use assets	4	218.05	216.79
Amortization of intangible assets	5(a)	102.11	83.27
Total depreciation and amortization expense		**2,610.18**	**2,634.91**

28 Other expenses

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares		1,230.08	1,166.44
Power and fuel expenses		3,540.26	2,963.03
Transport charges		3,967.91	3,046.92
Field promotion		1,944.25	-
Repairs and maintenance			
Buildings		13.75	3.67
Plant & machinery		268.13	236.18
Others		487.60	329.06
Pollution control expenses		260.23	195.12
Advertising and sales promotion		942.26	467.41
Royalty		-	-
Commission		682.05	614.24
Travelling and conveyance		1,812.19	1,424.10
Rent	41	35.49	31.01
Insurance		323.05	266.87
Communication expenses		36.15	31.71
Printing and stationery		32.31	25.73
Legal and professional fees		642.32	545.60
Director sitting fees	38	14.70	8.80
Payment to auditors	28(a)	52.83	47.06
Electricity & water charges		67.28	66.93
Rates and taxes		61.29	41.56
Security charges		129.76	117.08
Research & development Expenses	29	892.65	765.44
Loss on sale of property, plant and equipment (net)		6.65	129.20
Corporate social responsibility expenses	28(b)	271.91	269.73
Allowance for expected credit losses	35	25.34	359.99
Net losses on fair value changes			
Derivatives at FVTPL		48.08	-
Exchange difference (net)		1,059.80	-
Bad debts written off		26.71	140.43
Export sales expenses		232.42	431.90
Miscellaneous expenses		435.52	287.55
Total other expenses		**19,542.97**	**14,012.76**

Notes to standalone financial statements for the year ended March 31, 2023

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

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Statutory Audit Fees	48.42	45.15
Tax Audit Fees	-	-
In other capacity		
Certificate for buyback	-	-
Reimbursement of expenses	4.41	1.91
Total	**52.83**	**47.06**

28(b) Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The Company's policy covers current as well as proposed CSR activities to be undertaken by the company and examining their alignment with Schedule VII of the Act.

The company proposes to implement its CSR activities in various sectors which include promoting Education, green initiatives, and facilities for senior citizens, vocational & entrepreneurship skills, medical aid & healthcare, old age homes & women hostels, art and culture, destitute care and rehabilitation, rural development projects and others.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company	267.00	269.06
Shortfall of previous year spent during the year	-	-
Total amount spent for the financial year	(271.91)	(269.73)
Amount shortfall at end of the year	**-**	**-**
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	271.91	269.73
- yet to be paid in cash	-	-
Total	**271.91**	**269.73**

The entire amount is spent through the IIL foundation which is a related party (refer note 38).

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Notes to standalone financial statements for the year ended March 31, 2023

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

29 Research & Development Expenditure

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Chopanki :		
(i) Revenue expenditure :		
(a) Employee cost	201.62	169.95
(b) Cost of material & testing charges	24.23	11.62
(c) Other R&D expenditure	19.49	16.28
(d) Consultancy charges to OAT & IIL	366.33	293.88
(ii) Capital expenditure	25.87	63.27
Chopanki Total	**637.54**	**555.00**
Shamli :		
(i) Revenue expenditure :		
(a) Employee cost	118.48	110.74
(b) Cost of material & testing charges	1.98	1.96
(c) Other R&D expenditure	4.43	3.46
(ii) Capital expenditure	0.85	32.52
Shamli Total	**125.74**	**148.68**
Dahej :		
(i) Revenue expenditure :		
(a) Employee cost	87.02	86.82
(b) Cost of material & testing charges	30.41	26.62
(c) Other R&D expenditure	15.13	24.33
(ii) Capital expenditure	0.16	99.38
Dahej Total	**132.72**	**237.15**
Total	**896.00**	**940.83**

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, 2023	Year ended March 31, 2022
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,123.47	3,601.85
Adjustment of tax relating to earlier periods	(40.62)	(121.75)
Total current tax expense	**2,082.85**	**3,480.10**
Deferred tax		
(Decrease) /increase in deferred tax liabilities	(28.94)	(57.47)
Decrease/ (increase) in deferred tax assets	8.05	(28.22)
MAT Credit entitlement of earlier periods	-	-
Total deferred tax expense/(benefit)	**(20.89)**	**(85.69)**
Income tax expense	**2,061.96**	**3,394.41**

Notes to standalone financial statements for the year ended March 31, 2023

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

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income tax expense	**8,360.71**	**14,096.54**
Tax at the Indian statutory income tax rate of 25.168% (March 31, 2022: 25.168%)*	2,104.22	3,547.82
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	-
Deduction on account of tax holiday period	-	-
Other non-deductible / (taxable) items	(1.64)	(31.66)
Effect of difference in tax rates used to calculate deferred tax on temporary differences*	-	-
Adjustments for MAT Credit entitlement of earlier periods	-	-
Adjustments for current tax of earlier periods	(40.62)	(121.75)
Income tax expense	**2,061.96**	**3,394.41**

* 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, 2022: 25.168%) 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, 2023

Particulars	Equity instruments through other comprehensive income	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(56.70)	(56.70)
Gain/(loss) on FVTOCI financial assets	85.50	-	85.50
Total	**85.50**	**(56.70)**	**28.80**

During the year ended March 31, 2022

Particulars	Equity instruments through other comprehensive income	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(22.75)	(22.75)
Gain/(loss) on FVTOCI financial assets	121.46	-	121.46
Total	**121.46**	**(22.75)**	**98.71**

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.

Notes to standalone financial statements for the year ended March 31, 2023

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its histroically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in

Notes to standalone financial statements for the year ended March 31, 2023

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

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 16 (b).**

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.

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.

Notes to standalone financial statements for the year ended March 31, 2023

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

Nature of instrument	As at March 31, 2023		As at March 31, 2022	
	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)	81.30	6,696.30	60.94	4,592.68
In respect of import bills accepted (USD)	3.19	261.37	2.24	168.23
In respect of buyer's credit (USD)	-	-	-	-
	84.49	**6,957.67**	**63.18**	**4,760.91**
Forward contract - Sell				
In respect of trade receivables (USD)	65.98	5,509.42	46.55	3,617.19
	65.98	**5,509.42**	**46.55**	**3,617.19**
Unhedged foreign currency exposures				
a) Payables				
Buyer's credit (including interest) (USD)	-	-	-	-
Letters of credit (USD)	274.31	22,542.90	434.28	32,914.17
Import bills accepted (Trade payables) (USD)	-	-	3.94	298.61
	274.31	**22,542.90**	**438.22**	**33,212.78**

34 Fair value measurements

(i) Financial instruments by category

Particulars	Note	As at March 31, 2023			As at March 31, 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Investments							
- Equity instruments	7(a)	-	631.80	-	-	520.34	-
Security deposits	7(b)	-	-	168.52	-	-	124.78
Deposit accounts with banks having remaining maturity more than twelve months	7(b)	-	-	37.04	-	-	136.41
Interest accrued on fixed deposit with banks	7(b)	-	-	-	-	-	0.36
b) Financial assets - Current							
Trade receivables	11(a)	-	-	29,624.44	-	-	28,891.23
Cash and cash equivalents	11(b)	-	-	1,838.31	-	-	3,598.30
Other bank balances	11(c)	-	-	106.59	-	-	15.58
Loans	11(d)	-	-	19.23	-	-	12.87
Derivative assets	11(e)	43.27	-	-	84.08	-	-
Dividend receivable	11(e)	-	-	17.20	-	-	8.65
Insurance claim recoverable	11(e)	-	-	-	-	-	-
Litigation charges recoverable	11(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	11(e)	-	-	9.33	-	-	35.01
Interest subsidy recoverable	11(e)	-	-	-	-	-	60.14
Total financial assets		**43.27**	**631.80**	**31,840.26**	**84.08**	**520.34**	**32,902.93**
c) Financial liabilities - Non-current							
Borrowings	15(a)	-	-	185.93	-	-	185.03
d) Financial liabilities - Current							
Borrowings	18(a)	-	-	15,496.60	-	-	4,564.00

Notes to standalone financial statements for the year ended March 31, 2023

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

Particulars	Note	As at March 31, 2023			As at March 31, 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Trade payables	18(b)	-	-	44,826.04	-	-	32,378.87
Current maturities of long-term borrowings	18(a)	-	-	224.43	-	-	190.26
Security deposits received from customers	18(c)	-	-	803.16	-	-	719.67
Creditors for capital expenditure	18(c)	-	-	643.51	-	-	793.35
Interest accrued on borrowings	18(c)	-	-	29.93	-	-	0.23
Employee payables	18(c)	-	-	1,658.72	-	-	1,376.47
Unpaid dividend account	18(c)	-	-	5.23	-	-	4.29
Derivative liabilities	18(c)	7.26	-	-	-	-	-
Total financial liabilities		**7.26**	**-**	**63,873.55**	**-**	**-**	**40,212.17**

(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

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	631.80	-	-	520.34	-	-
Financial assets at FVTPL						
-Derivative assets	-	43.27	-	-	84.08	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	7.26	-	-	-	-

*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.

Notes to standalone financial statements for the year ended March 31, 2023

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

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	168.52	-	-	124.78
Deposit accounts with banks having remaining maturity more than twelve months	-	-	37.04	-	-	136.41
Interest accrued on fixed deposit with banks	-	-	-	-	-	0.36
Financial liabilities						
Long term borrowings (including current maturities)	-	-	410.36	-	-	375.29

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

d) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

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

Particulars	Note	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	7(b)	168.52	168.52	124.78	124.78
-Deposit accounts with banks having remaining maturity more than twelve months*	7(b)	37.04	37.04	136.41	136.41
-Interest accrued on fixed deposit with banks*	7(b)	-	-	0.36	0.36
Financial liabilities					
- Long term borrowings (including current maturities)	15(a)	410.36	410.36	375.29	375.29

*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.

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

35 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents and loans that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk that are summarised as under:-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	a) Cash flow forecasting b) Sensitivity analysis	a) Forward exchange contracts b) Foreign currency options c) Currency swaps
Market risk - interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company has formulated the Risk Management Policy whose objective is to ensure sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risk. In order to achieve this key objective, this policy provides a prepared and well-organized approach to manage the various types of risk associated with day to day business of the Company and minimize adverse impact on its business objectives as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that 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

Notes to standalone financial statements for the year ended March 31, 2023

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

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, 2023 and March 31, 2022 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	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, 2023

(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	19.23	0%	-	19.23
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	168.52	0%	-	168.52

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

(b) Allowance for expected credit losses on 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	20,685.51	6,137.85	2,429.18	260.99	338.04	1,259.57	**31,111.14**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	20.63	12.28	12.15	13.05	169.02	1,259.57	**1,486.70**
Carrying amount of trade receivables (net of expected credit losses)	**20,664.88**	**6,125.57**	**2,417.03**	**247.94**	**169.02**	**-**	**29,624.44**

Year ended March 31, 2022

(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	12.87	0%	-	12.87
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	124.78	0%	-	124.78

(b) Allowance for expected credit losses on 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	17,988.29	8,650.81	1,570.35	645.47	223.34	1,274.33	**30,352.59**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	17.94	17.30	7.85	32.27	111.67	1,274.33	**1,461.36**
Carrying amount of trade receivables (net of expected credit losses)	**17,970.35**	**8,633.51**	**1,562.50**	**613.20**	**111.67**	**-**	**28,891.23**

Notes to standalone financial statements for the year ended March 31, 2023

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

Reconciliation of expected credit losses

Particulars	Amount
Loss allowance on March 31, 2021	**1,101.37**
Changes in loss allowance	359.99
Loss allowance on March 31, 2022	**1,461.36**
Changes in loss allowance	25.34
Loss allowance on March 31, 2023	**1,486.70**

B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The Company enjoys a good reputation for its sound financial management and ability to meet in financial commitments. CRISIL, a S&P Global Company, a reputed Rating Agency, has re-affirmed the credit rating of CRISIL A/Stable for the longterm and CRISIL A1 for the Short-term Bank facilities.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities subject to the reconcilation at the end of the reporting period :

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate		
Short term borrowings	24,553.10	13,704.86

(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, 2023	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	224.43	185.93	-	**410.36**
Lease liabilities	15(b)	179.36	236.64	9.45	**425.45**
Short term borrowings	18(a)	15,496.60	-	-	**15,496.60**
Trade payables	18(b)	44,826.04	-	-	**44,826.04**
Security deposits received from customers	18(c)	803.16	-	-	**803.16**
Creditors for capital expenditure	18(c)	643.51	-	-	**643.51**
Interest accrued on borrowings	18(c)	29.93	-	-	**29.93**
Employee payables	18(c)	1,658.72	-	-	**1,658.72**
Unpaid dividend account	18(c)	5.23	-	-	**5.23**
Derivative liabilities	18(c)	7.26	-	-	**7.26**
Total		**63,874.24**	**422.57**	**9.45**	**64,306.26**

Notes to standalone financial statements for the year ended March 31, 2023

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

As at March 31, 2022	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	190.26	185.03	-	**375.29**
Lease liabilities	15(b)	237.56	271.17	13.31	**522.04**
Short term borrowings	18(a)	4,564.00	-	-	**4,564.00**
Trade payables	18(b)	32,378.87	-	-	**32,378.87**
Security deposits received from customers	18(c)	719.67	-	-	**719.67**
Creditors for capital expenditure	18(c)	793.35	-	-	**793.35**
Interest accrued on borrowings	18(c)	0.23	-	-	**0.23**
Employee payables	18(c)	1,376.47	-	-	**1,376.47**
Unpaid dividend account	18(c)	4.29	-	-	**4.29**
Derivative liabilities	18(c)	-	-	-	**-**
Total		**40,264.70**	**456.20**	**13.31**	**40,734.21**

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, 2023 and March 31, 2022 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.

Particulars	Impact on profit before tax	
	Year ended March 31, 2023	Year ended March 31, 2022
USD sensitivity		
INR/USD - increase by 1% (March 31, 2022: 1%)	(225.43)	(332.13)
INR/USD - decrease by 1% (March 31, 2022: 1%)	225.43	332.13
AED sensitivity		
INR/AED - increase by 1% (March 31, 2022: 1%)	-	-
INR/AED - decrease by 1% (March 31, 2022: 1%)	-	-

Notes to standalone financial statements for the year ended March 31, 2023

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

JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (company listed on Tokyo Stock exchange)]	Impact on other comprehensive income	
	Year ended March 31, 2023	Year ended March 31, 2022
INR/JPY - increase by 5% (March 31, 2022: 5%)	31.59	26.02
INR/JPY - decrease by 5% (March 31, 2022: 5%)	(31.59)	(26.02)

(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, 2023, 100% (March 31, 2022, 100%) of the Company's total borrowings are at a fixed rate of interest. As on March 31, 2023, 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, 2023	As at March 31, 2022
Fixed rate borrowings		
Long term borrowings (including current maturities)	410.36	375.29
Short term borrowings	15,496.60	4,564.00
Variable rate borrowings		
Long term borrowings (including current maturities)	-	-
Total borrowings	**15,906.96**	**4,939.29**

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, 2023			As at March 31, 2022		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	-	-	0.00%	-	-	0.00%
Cross currency interest rate swaps (notional principal amount)	-	-	-	-	-	-
Net exposure to cash flow interest rate risk		**-**	**-**		**-**	**0.00%**

(b) Sensitivity

The Company's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is Nil at the end of the year, 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).

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

(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 63.18 (March 31, 2022: INR 52.03).

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, 2023	As at March 31, 2022
Total debt	15(a),18(a)	15,906.96	4,939.29
(Less): Cash and cash equivalents	11(b)	(1,838.31)	(3,598.30)
Net debt		**14,068.65**	**1,340.99**
Total capital	13,14	91,568.87	86,721.21
Capital and net debt		**105,637.52**	**88,062.20**
Gearing ratio		**13%**	**2%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 & March 31, 2022

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, 2023	Year ended March 31, 2022
(i) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2022: INR 3 (March 31, 2021: Nil) per share fully paid up	591.96	-
Interim dividend for the year ended March 31, 2023: INR 3 (March 31, 2022: Nil) per share fully paid up	887.93	-
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended interim dividend as final dividend of INR 3 per equity share fully paid up. Further, during the year ended March 31, 2022 the final dividend was declared of INR 3 per equity share fully paid up.	-	591.96

Notes to standalone financial statements for the year ended March 31, 2023

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

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, 2023	Year ended March 31, 2022
Within India	170,338.78	136,748.50
Outside India	9,391.40	13,075.72
Total revenue	**179,730.18**	**149,824.22**

The basis for attributing revenues from external customer is based on the country of domicile of the respective customers.

b) Revenue from Major Customers: There is no customer having revenue amounting to 10% or more of Company's total revenue.

38 Related party transactions

(i) Names of related parties and related party relationship:-

a) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)

1. Sh. Hari Chand Aggarwal - Chairman
2. Sh. Rajesh Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director
4. Sh. Anil Kumar Goyal - Whole-time Director (appointed w.e.f. August 20, 2022)

b) Key Management Personnel (KMP)

1. Sh. Sandeep Aggarwal - Chief Financial Officer
2. Sh. Sandeep Kumar - Company Secretary & CCO

c) Independent directors

1. Sh. Vrijesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Smt. Praveen Gupta
5. Sh. Anil Kumar Bhatia (appointed w.e.f. August 20, 2022)

d) Relatives of KMPs

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

e) Subsidiary / Joint Venture / Trust

1. OAT & IIL India Laboratories Private Limited - Joint Venture
2. IIL Biologicals Limited - Subsidiary
3. IIL foundation - CSR Trust
4. IIL Employees Gratuity Trust - Gratuity Trust

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. Indogulf Cropsciences Limited
6. Crop Care Federation of India

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ 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		Subsidiary / Joint Venture / Trust		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, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement expense	**0.18**	**0.18**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	0.18	0.18	-	-	-	-	-	-	-	-	-	-
Consultancy expenses	-	-	-	-	-	-	-	-	**10.96**	**10.96**	-	-
Smt. Sonia Aggarwal									10.96	10.96		
Deputation fee income	-	-	**39.17**	**33.98**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited	-	-	39.17	33.98	-	-	-	-	-	-	-	-
Membership & Subscription expense	**17.70**	**17.70**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	17.70	17.70										
Purchase of Capital & Consumabable Goods	**278.52**	**339.91**	-	-	-	-	-	-	-	-	-	-
Vinod Metal Industries	278.52	339.91										
Sales of Finished Goods	**1,259.24**	**570.16**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	520.26	85.67										
Indogulf Cropsciences Limited	738.98	484.49										
Purchases of Raw Material	**4,194.51**	**3,565.16**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	3,159.71	3,340.25	-	-	-	-	-	-	-	-	-	-
HPM Chemicals & Fertilizers Ltd	696.61	-	-	-	-	-	-	-	-	-	-	-
Indogulf Cropsciences Limited	338.19	224.91	-	-	-	-	-	-	-	-	-	-
Other Expenses	**8.85**	**2.60**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	8.85	2.60	-	-	-	-	-	-	-	-	-	-
R & D Expenses	-	-	**432.27**	**346.78**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited	-	-	432.27	346.78								
Rent paid	**12.97**	**33.42**	-	-	-	-	-	-	**4.89**	**2.64**	-	-
ISEC Organics Ltd	12.97	33.42							-	-		
Smt. Pushpa Aggarwal		-							4.89	2.64		
Purchase of Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
ISEC Organics Ltd												
Revenue from Manpower supply	-	-	**56.28**	**54.55**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited	-	-	56.28	54.55	-	-	-	-	-	-	-	-

insecticides (INDIA) LIMITED

Notes to standalone financial statements for the year ended March 31, 2023

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

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Subsidiary / Joint Venture / Trust		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, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Remuneration paid *	**-**	**-**	**-**	**-**	**727.23**	**876.73**	**60.66**	**52.74**	**47.51**	**45.50**	**-**	**-**
Sh. Hari Chand Aggarwal	-	-	-	-	341.04	422.53	-	-	-	-	-	-
Sh. Rajesh Aggarwal	-	-	-	-	328.72	410.65	-	-	-	-	-	-
Smt. Nikunj Aggarwal	-	-	-	-	48.01	43.55	-	-	-	-	-	-
Sh. Anil Kumar Goyal	-	-	-	-	9.46	-	-	-	-	-	-	-
Sh. Sandeep Aggarwal	-	-	-	-	-	-	41.73	36.45	-	-	-	-
Sh. Sandeep Kumar	-	-	-	-	-	-	18.93	16.29	-	-	-	-
Sh. Sanjeev Aggarwal	-	-	-	-	-	-	-	-	27.00	23.04	-	-
Smt. Anju Aggarwal	-	-	-	-	-	-	-	-	14.21	12.79	-	-
Smt. Kritika Aggarwal	-	-	-	-	-	-	-	-	-	3.37	-	-
Sh. Sanskar Aggarwal	-	-	-	-	-	-	-	-	6.30	6.30	-	-
Contribution to CSR	**-**	**-**	**271.91**	**269.73**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	-	-	271.91	269.73								
Investment in Equity shares of Subsidiary Company	**-**	**-**	**118.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL Biologicals Limited	-	-	118.00	-								
Deposit in Gratuity Trust	**-**	**-**	**9.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL Employees Gratuity Trust	-	-	9.00	-								
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14.70**	**8.80**
Sh. Anil Kumar Bhatia	-	-	-	-	-	-	-	-	-	-	1.50	-
Sh. Jayaraman Swaminathan	-	-	-	-	-	-	-	-	-	-	4.20	2.80
Smt. Praveen Gupta	-	-	-	-	-	-	-	-	-	-	3.00	2.00
Sh. Navin Shah	-	-	-	-	-	-	-	-	-	-	3.00	2.00
Sh. Vrijesh Kumar Gupta	-	-	-	-	-	-	-	-	-	-	3.00	2.00

* Excluding post employment benefits

Notes to standalone financial statements for the year ended March 31, 2023

(All amounts in ₹ 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		Subsidiary / Joint Venture / Trust		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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Remuneration payable	-	-	-	-	**27.20**	**9.76**	**5.97**	**3.17**	**4.75**	**2.68**	-	-
Sh. Hari Chand Aggarwal					11.09	4.59						
Sh. Rajesh Aggarwal					9.77	3.04						
Smt. Nikunj Aggarwal					4.68	2.13						
Sh. Anil Kumar Goyal					1.66	-						
Sh. Sandeep Aggarwal							3.93	1.92				
Sh. Sandeep Kumar							2.04	1.25				
Sh. Sanjeev Aggarwal									2.40	1.24		
Smt. Anju Aggarwal									1.58	0.97		
Smt. Kritika Aggarwal									-	-		
Sh. Sanskar Aggarwal									0.77	0.47		
Trade Payables	**900.64**	**195.45**	-	-	-	-	-	-	**0.84**	**0.84**	-	-
Vinod Metal Industries	77.74	178.92										
Indogulf Cropsciences Limited	70.50	0.06										
HPM Chemicals & Fertilizers Ltd	170.47	-										
Crystal Crop Protection Ltd	581.93	16.29										
Crop Care Federation of India	-	0.18										
Smt. Sonia Aggarwal									0.84	0.84		
Smt. Pushpa Aggarwal									-	-		
Trade Receivables	**462.79**	**138.62**	**11.21**	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Ltd	87.12	-	-	-								
Indogulf Cropsciences Ltd	375.67	138.62	-	-								
OAT & IIL India Laboratories Private Limited	-	-	11.21	-								
Advances given	**403.46**	**201.25**	**9.00**	-	-	-	-	-	-	-	-	-
Indogulf Cropsciences Limited	200.20	-										
Isec Organics Ltd.	203.26	201.25										
IIL Employees Gratuity Trust			9.00	-								
Smt. Praveen Gupta											-	-

Notes to standalone financial statements for the year ended March 31, 2023

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

iv) Key management personnel compensation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	787.89	929.47
Post-employment benefits	27.28	22.55
Long-term employee benefits	-	-
Total	**815.17**	**952.02**

v) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt		
a) Bank Guarantee	430.02	420.63
b) Excise Matter with Appellate Authority	429.51	429.51
c) Sales Tax / GST Matters	524.15	524.15
d) Revenue Department	89.60	89.60
Total	**1,473.28**	**1,463.89**

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, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	64.98	530.57
Other commitments		
Letter of credits (FLC & ILC)	8,887.03	20,517.04
	8,952.01	**21,047.61**

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 10 years.

Further, the Company has leases of warehouses and vehicles which have lease term less than 12 months. The Company applies the "Short term leases" recognition exemption for such leases.

Notes to standalone financial statements for the year ended March 31, 2023

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

a) Amounts recognized in profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets (Refer Note 27)	218.05	216.79
Interest expense on lease liabilities (Refer Note 26)	45.03	49.87
Expense relating to short-term leases (included in rent) (Refer Note 28)	35.49	31.01
Net gain on lease modification (Refer Note 22)	(13.34)	(5.19)
Total	**285.23**	**292.48**

b) Extension and termination options

The Company has lease contracts that include extension and termination options. These options are negotiated by management and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Company has considered all the lease payments relating to periods following the exercise date of extension options, where such option is available with the Company in the calculation of lease liabilities. The Company has determined that it is not reasonably certain that termination options attached to lease contracts will be exercised. Therefore, such disclosures are not applicable.

42 Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit / loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Face value of equity shares (Rs per share)	10.00	10.00
Profit attributable to equity shareholders **(A)**	6,298.75	10,702.13
Weighted Average number of Equity Shares original	19,731,891	19,831,370
Impact of bonus issue effected during the year (allotment of 98,65,946 bonus shares at face value of ₹ 10 each)	9,865,946	9,865,946
Weighted Average number of Equity Shares post bonus used as denominator in calculating Basic Earnings Per Share (B)	**29,597,837**	**29,697,316**
EPS - basic (A/B) (₹)	**21.28**	**36.04**
Weighted Average number of Equity Shares post bonus used as denominator in calculating Basic earnings per share	29,597,837	29,697,316
Effect of dilutive common equivalent shares	-	-
Weighted average number of equity shares and common equivalent shares outstanding (C)	**29,597,837**	**29,697,316**
EPS - diluted (A/C) (₹)	**21.28**	**36.04**

Notes to standalone financial statements for the year ended March 31, 2023

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

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, 2023	As at March 31, 2022
Current			
Financial assets			
First charge			
Trade receivables	11(a)	29,624.44	28,891.23
Loans	11(d)	19.23	12.87
Other financial assets	11(e)	89.40	207.48
		29,733.07	**29,111.58**
Non-financial assets			
Inventories	10	86,172.07	63,022.42
Other current assets	12	922.45	1,894.00
Total current assets pledged as security		**116,827.59**	**94,028.00**
Non-Current			
Financial assets			
First charge			
Security deposits	7(b)	168.52	124.78
Non-financial assets			
Property, plant and equipment	3(a)	22,980.62	22,085.76
Capital work-in-progress	3(b)	11,745.39	8,576.95
Other non-current assets	9	2,935.47	1,078.70
Total non-currents assets pledged as security		**37,830.00**	**31,866.19**
Total assets pledged as security		**154,657.59**	**125,894.19**

44 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, by the Company, the additional impact on Provident Fund contributions by the Company is not expected to be material, whereas, the likely additional impact on Gratuity liability / contributions by the Company could be material. The Company will complete their evaluation and will give appropriate impact in the standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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, 2023 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 :

Notes to standalone financial statements for the year ended March 31, 2023

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

	Particulars	As at March 31, 2023	As at March 31, 2022
i	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	-	2.72
	Interest	-	0.10
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	35.55	69.40
	Interest Paid during FY*	0.42	0.69
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.	-	-
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.		
	Accounting year ended 31st March 2023	-	-
	Accounting year ended 31st March 2022	-	0.10
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.	-	0.10

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

46 Contract assets and contract liabilities

The following table provides information about trade receivables and contract liabilities from contracts with the customers :

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (refer note 11(a))	29,624.44	28,891.23
Total trade receivables	**29,624.44**	**28,891.23**
Contract assets	-	-
Loss allowance	-	-
Total contract assets	**-**	**-**
Advance from customers (contract liabilities) (refer note 19 & 21)	11,455.69	9,704.23
Total advance from customers (contract liabilities)	**11,455.69**	**9,704.23**

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 7,828.87 along with interest @ 15%. The Additional Director of Foreign Trade, Ahmedabad has also provided an opportunity to the Company to appear before the Authority which is mandatory requirement before adjudicating. In terms of the provisions of the Act, the Company filed the writ petition before Hon'ble Gujarat High Court against the Show Cause Notice challenging the legality of the notice and the Hon'ble court has granted interim relief and also stayed the show cause notice proceedings.

Notes to standalone financial statements for the year ended March 31, 2023

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

48 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Company.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the financial statements of the Company.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

These amendments had no impact on the financial statements of the Company.

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received

Notes to standalone financial statements for the year ended March 31, 2023

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

between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments had no impact on the financial statements of the Company.

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments had no impact on the financial statements of the Company.

(b) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

(iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to standalone financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

49 Ratios

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change
Current Ratio	Current assets	Current liability	1.62	1.97	-17.77%
Debt-Equity Ratio *	Total debt	Total Shareholders' Equity	0.17	0.06	183.33%
Debt Service Coverage Ratio **	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (Depreciation & amortisation) + Finance costs	Debt service = Interest & Lease Payments + Principal Repayments	0.64	2.79	-77.06%
Return on Equity Ratio ***	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	7.07%	12.70%	-44.33%
Inventory turnover Ratio	Cost of goods sold	Average Inventory	1.86	1.72	8.14%
Trade Receivables turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.16	5.53	11.39%
Trade payables turnover Ratio ****	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	4.19	3.14	33.44%
Net capital turnover Ratio *****	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.81	3.04	25.33%
Net profit Ratio ***	Net Profit	Net sales = Total sales - sales return	3.50%	7.12%	-50.84%
Return on capital employed ***	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	8.90%	15.80%	-43.67%
Return on investment ******	OCI Income	Investment	21.42%	43.74%	-51.03%

Reasons for variance:

* Enlargement in borrowings has lead to increase in the ratio.

** Enlargement in borrowing along with reduction in profit has resulted to decline in the ratio.

*** Lower of profit has lead to decline in the ratio.

**** Higher purchases during the year has lead to increase in the ratio.

***** Higher sales along with reduction in working capital has resulted in an increase in the ratio.

****** Lower of Market valaue of Investment has resulted to decline in the ratio.

50 Other Amendments as per Sch III of the Companies Act, 2013

a) The Company does not have any benami property, nor any proceeding has been initiated or pending against the Company for holding any benami property.

b) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

Notes to standalone financial statements for the year ended March 31, 2023

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

e) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.

g) The Company is not declared wilful defaulter by any bank or financials institution or other lender during the year.

h) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

i) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

j) The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

k) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

l) The Company does not have any loan or advance in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

51 Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

VIJAY KUMAR
Partner
Membership No.- 092671

For DEVESH PAREKH & CO.
Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
Partner
Membership No.- 092160

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INSECTICIDES (INDIA) LIMITED
CIN : L65991DL1996PLC083909

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

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 Holding Company") and its subsidiary (the Holding company and its subsidiary together referred to as "the Group") and its jointly controlled entity, which comprise the Consolidated Balance Sheet as on March 31, 2023, 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 Group as at March 31, 2023, 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 Group and 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.

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	**<u>Principal Audit Procedures</u>**
The Group 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 Group expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Group considers the effects of variable consideration and consideration receivable from the customer. For the year ended March 31, 2023, Consolidated Statement of Profit & Loss includes Sales of Rs. 1,79,730.18 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. 22 of the Consolidated Financial Statements	• 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 Consolidated 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 Group. • 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. 22 of the Consolidated financial statements.

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

The Holding 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, Business Responsibility & Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statement, and our auditor's report thereon, the other information is expected to be made available to us after the date of this auditor's report.

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.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding 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 Group including 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 Group 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 the Group 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and its jointly controlled entity are responsible for assessing the ability of the Group and its jointly controlled entity 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and its jointly controlled entity are responsible for overseeing the financial reporting process of the Group and its jointly controlled entity.

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 Group 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 Group 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 Group 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 entity or business activities within the Group and its jointly controlled entity of which we are the independent auditors and whose financials information we have audited, 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 entity 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 consolidated financial statements.

We communicate with those charged with governance of the Holding 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

(a) The accompanying Consolidated Financial Statements include the financial statements and other financial information in respect of a subsidiary which reflect total assets of Rs. 115.13 lakhs as at March 31 2023, and total revenue of Rs. Nil and net cash inflow of Rs.24.50 lakhs for the year ended on that date, as considered in the Consolidated financial statements, which have been audited by one of the joint auditor, individually.

(b) The Consolidated Financial Statements include the Group's share of net profit after tax of Rs. 23.20 lakhs for the year ended March 31, 2023, in respect of a 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 reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and other auditors of Company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

2. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and its jointly controlled entity incorporated in India, none of the directors of the Group and it jointly controlled entity incorporated in India is disqualified as on March 31, 2023 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 Consolidated Financial Statements of the Holding Company and its subsidiary company and jointly controlled entity, incorporated in India, 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 Holding 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 Group and its jointly controlled entity. Refer note no. 39 to the consolidated financial statements.

        ii. The Group 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 Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiary its jointly controlled entity incorporated in India.

        iv. (a) The respective managements of the Holding Company and its Subsidiary and Jointly Controlled Entity, incorporated within India, have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company and its subsidiary and its jointly controlled entity to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company and its subsidiary and its jointly controlled entity jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective management of the Holding Company and its subsidiary and Jointly controlled entity, incorporated within India, has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its subsidiary and its jointly controlled entity from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiary and Jointly Controlled Entity shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on audit reports of other auditors, nothing has come to our notice that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 36(b) to the consolidated financial statements and based on review of the reports of other auditors:

a) The final dividend proposed in the previous year, declared, and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.

c) The Holding Company and its subsidiary company, jointly controlled entity incorporated in India have not proposed a final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company, and its subsidiary its jointly controlled entity which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Vijay Kumar
Partner
Membership number: 092671
UDIN: 23092671BGSICH4802

Place: New Delhi
Date: May 30, 2023

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

Devesh Parekh
Partner
Membership number: 092160
UDIN: 23092160BGVSFK7959

Place: New Delhi
Date: May 30, 2023

"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, 2023, we have audited the internal financial controls with reference to financial statements of **Insecticides (India) Limited (**'the Holding Company') and its subsidiary and its jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary and its jointly controlled entity which are companies incorporated in India, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's, Subsidiary and Jointly Controlled Entity, which are incorporated in India, internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 Holding Company, its subsidiary and its jointly controlled entity, which are incorporated in India, 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, 2023, based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Reporting on the adequacy of the Internal Financial Controls with reference to financial statement of the jointly controlled entity and the operating effectiveness of such controls, under Section 143(3)(i) of the Act is not applicable as per report of the auditors of such company.

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

Vijay Kumar
Partner
Membership number: 092671
UDIN: 23092671BGSICH4802

Place: New Delhi
Date: May 30, 2023

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

Devesh Parekh
Partner
Membership number: 092160
UDIN: 23092160BGVSFK7959

Place: New Delhi
Date: May 30, 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

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

Particulars			Note	As at March 31, 2023	As at March 31, 2022
ASSETS					
1	**Non-current assets**				
	(a)	Property, plant and equipment	3(a)	22,980.62	22,085.76
	(b)	Capital work-in-progress	3(b)	11,745.39	8,576.95
	(c)	Investment properties	4	86.84	-
	(c)	Right-of-use assets	5	2,497.29	2,595.84
	(d)	Other intangible assets	6(a)	695.24	616.21
	(e)	Intangible assets under development	6(b)	560.84	520.62
	(f)	Investment in subsidiary and joint venture	7	1,061.22	1,034.91
	(g)	Financial assets			
		(i) Investments	8(a)	631.80	520.34
		(ii) Other financial assets	8(b)	205.66	261.55
	(h)	Income tax assets (net)	9	2,628.84	1,686.31
	(i)	Other non-current assets	10	3,316.89	1,447.17
	Total non-current assets			**46,410.63**	**39,345.66**
2	**Current assets**				
	(a)	Inventories	11	86,172.07	63,022.42
	(b)	Financial assets			
		(i) Trade receivables	12(a)	29,624.44	28,891.23
		(ii) Cash and cash equivalents	12(b)	1,862.81	3,598.30
		(iii) Bank balances other than (ii) above	12(c)	106.59	15.58
		(iv) Loans	12(d)	19.23	12.87
		(v) Other financial assets	12(e)	89.40	207.48
	(c)	Other current assets	13	5,346.24	4,526.21
	Total current assets			**123,220.78**	**100,274.09**
	Total assets			**169,631.41**	**139,619.75**
EQUITY AND LIABILITIES					
	EQUITY				
	(a)	Equity share capital	14	2,959.78	1,973.19
	(b)	Other equity	15	88,869.19	84,987.93
	Total equity			**91,828.97**	**86,961.12**
	LIABILITIES				
1	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	16(a)	185.93	185.03
		(ii) Lease liabilities	16(b)	216.89	254.31
	(b)	Provisions	17(a)	183.22	161.05
	(c)	Deferred tax liabilities (net)	18	1,265.07	1,279.23
	Total non-current liabilities			**1,851.11**	**1,879.62**
2	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	19(a)	15,721.03	4,754.26
		(ii) Lease liabilities	16(b)	145.86	201.36
		(iii) Trade payables	19(b)		
		(A) total outstanding due of micro enterprises and small enterprises		2,705.98	2,445.13
		(B) total outstanding dues of creditors other than micro enterprises and small enterprises		42,120.80	29,933.74
		(iv) Other financial liabilities	19(c)	3,150.06	2,894.01
	(b)	Other current liabilities	20	11,859.23	10,335.89
	(c)	Provisions	17(b)	248.37	176.71
	(d)	Current tax liabilities (net)	21	-	37.91
	Total current liabilities			**75,951.33**	**50,779.01**
	Total equity and liabilities			**169,631.41**	**139,619.75**

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

Summary of Significant Accounting Policies 1 to 2

Notes to Financial Statements 3 to 54

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

VIJAY KUMAR
Partner
Membership No.- 092671

For DEVESH PAREKH & CO.
Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
Partner
Membership No.- 092160

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INSECTICIDES (INDIA) LIMITED
CIN : L65991DL1996PLC083909

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	22	180,132.85	150,395.80
Other income	23	126.39	427.15
Total income		**180,259.24**	**150,822.95**
Expenses			
Cost of raw material and components consumed	24	139,946.52	103,654.17
Purchase of traded goods		11,212.48	6,085.85
Changes in inventories of finished goods, work-in-progress and traded goods	25	(12,596.77)	1,010.36
Employee benefits expense	26	9,838.05	8,664.98
Finance costs	27	1,345.10	663.38
Depreciation and amortization expense	28	2,610.18	2,634.91
Other expenses	29	19,543.97	14,012.76
Total expenses		**171,899.53**	**136,726.41**
Profit before tax, exceptional items and share of net profit of investment accounted for using equity method		**8,359.71**	**14,096.54**
Exceptional items		-	-
Profit before tax and share of net profits of investments accounted for using equity method		**8,359.71**	**14,096.54**
Share of net profit of joint venture accounted for using the equity method		23.20	40.69
Profit before tax		**8,382.91**	**14,137.23**
Tax expenses	31		
- Current tax		2,082.85	3,480.10
- Deferred tax		(21.06)	(85.69)
Total tax expenses		**2,061.79**	**3,394.41**
Profit for the year		**6,321.12**	**10,742.82**
Other comprehensive income	32		
Items that will not be reclassified subsquently to profit or loss			
Equity instruments through other comprehensive income		111.46	158.35
Remeasurement of the net defined benefit plans		(75.76)	(30.40)
Share of other comprehensive income of joint venture accounted for using the equity method		4.15	1.96
Income tax relating to these items		(7.94)	(29.73)
Total of other comprehensive income for the year (net of tax)		**31.91**	**100.18**
Total comprehensive income for the year (net of tax)		**6,353.03**	**10,843.00**
Earnings per equity share (in INR)	44		
- Basic		21.36	36.17
- Diluted		21.36	36.17

The accompanying notes are an integral part of the consolidated financial statements.
Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 54
As per our separate report of even date annexed herewith

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Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 30, 2023

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

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

(A) Equity share capital

(1) Current reporting period

Particulars	Balance at the beginning of the current reporting period April 01, 2022	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period March 31, 2023
Equity share capital (Refer note 14)	**1,973.19**	-	**1,973.19**	986.59	**2,959.78**

(2) Previous reporting period

Particulars	Balance at the beginning of the current reporting period April 01, 2021	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period March 31, 2022
Equity share capital (Refer note 14)	**2,066.78**	-	**2,066.78**	(93.59)	**1,973.19**

(B) Other equity

Particulars	Reserves and surplus				Other reserves	Total Other Equity
	Securities premium	General reserve	Capital redemption reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at April 1, 2021	**10,410.18**	**3,201.52**	**-**	**66,321.87**	**37.16**	**79,970.73**
Profit for the year				10,742.82		10,742.82
Other comprehensive income (net of tax)				(21.28)	121.46	100.18
Total comprehensive income for the year				**10,721.54**	**121.46**	**10,843.00**
Buy-back of equity shares including premium, expenses & taxes (Refer note 15)	(5,825.80)					(5,825.80)
Transfer on account of buy back of shares		(93.59)	93.59			-
Balance as at March 31, 2022	**4,584.38**	**3,107.93**	**93.59**	**77,043.41**	**158.62**	**84,987.93**
Profit for the year				6,321.12		6,321.12
Transaction cost of issued share capital				(5.28)		(5.28)
Other comprehensive income (net of tax)				(53.60)	85.50	31.90
Total comprehensive income for the year				**6,262.24**	**85.50**	**6,347.74**
Issue of bonus shares (Refer note 15)	(986.59)					(986.59)
Final dividend paid during the year				(591.96)		(591.96)
Interim dividend paid during the year				(887.93)		(887.93)
Balance as at March 31, 2023	**3,597.79**	**3,107.93**	**93.59**	**81,825.76**	**244.12**	**88,869.19**

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

Summary of Significant Accounting Policies 1 to 2

Notes to Financial Statements 3 to 54

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Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
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Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cash Flow From Operating Activities		
Net profit before tax	**8,382.91**	**14,137.23**
Adjustment on account of		
- Share of Net Profit of Joint Venture	(23.20)	(40.69)
- Depreciation	2,610.18	2,634.91
- (Profit)/Loss on sale of assets	6.65	129.20
- Net gain on lease modification	(13.34)	(5.19)
- Interest income	(11.83)	(48.58)
- Dividend income	(20.31)	(10.22)
- Interest expenses	1,345.10	663.38
- Bad debts written off	26.71	140.43
- Provision for impairment of trade receivables	25.34	359.99
- Derivative (gain) / loss	48.08	(116.04)
- Unrealised exchange differences	(244.58)	(102.27)
Operating Profit Before Working Capital Changes	**12,131.71**	**17,742.15**
Adjustments for		
- (Increase)/Decrease in security deposits	(43.84)	121.90
- (Increase)/Decrease in inventories	(23,149.65)	3,064.84
- (Increase)/Decrease in trade receivables	(731.44)	(3,864.94)
- (Increase)/Decrease in loans	(6.35)	(7.79)
- (Increase)/Decrease in other financial assets	85.81	302.71
- (Increase)/Decrease in other current assets	(832.98)	3,780.99
- Increase/(Decrease) in provisions	18.07	(244.35)
- Increase/(Decrease) in trade payables	12,638.67	(3,790.33)
- Increase/(Decrease) in other financial liabilities	366.69	121.70
- Increase/(Decrease) in other current liabilities	1,523.35	314.42
Cash generated from operations	**2,000.04**	**17,541.30**
Less: Income tax paid	(3,063.29)	(4,056.42)
Net cash flow (used in) / from operating activities (A)	**(1,063.25)**	**13,484.88**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets, capital-work-in-progress and intangible assets under development	(8,745.88)	(6,727.91)
- Proceeds from sale of property plant and equipment	73.32	37.15
- Interest received	11.83	48.58
- Proceeds from / (investment in) bank deposits	8.71	7,563.40
- Inter corporate loans (given)/received back	-	-
- Dividends received	11.76	9.71
- Investment in equity shares of subsidiary co.	-	-
Net cash flow (used in) / from Investing Activities (B)	**(8,640.26)**	**930.93**
(C) Cash Flow From Financing Activities		
- Payment due to buyback of equity shares including premium, expenses & taxes	-	(5,919.39)
- Repayment of long term borrowings	(288.86)	(205.44)
- Proceeds from long term borrowings	289.76	150.84
- Proceeds/(Repayment) from/of short term borrowings	10,966.77	(4,633.49)
- Payment of lease liabilities	(199.07)	(183.99)
- Interest paid	(1,315.41)	(672.40)
- Transaction cost of issued share capital	(5.28)	-
- Dividend paid (final & interim)	(1,479.89)	-
Net cash flow (used in) / from financing activities (C)	**7,968.02**	**(11,463.87)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(1,735.49)**	**2,951.94**
Cash and cash equivalents at the beginning of the year	3,598.30	646.36
Cash and cash equivalents at the end of the year	**1,862.81**	**3,598.30**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks on current accounts	1,855.15	3,592.17
Cash on hand	7.66	6.13
Total cash and cash equivalents	**1,862.81**	**3,598.30**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2022	Cash flows	Other non cash changes	As at March 31, 2023
Long term borrowings (including current maturities)	185.03	0.90	-	**185.93**
Lease liabilities (including current maturities)	455.67	(199.07)	106.15	**362.75**
Short term borrowings	4,754.26	10,966.77	-	**15,721.03**
	5,394.96	**10,768.60**	**106.15**	**16,269.71**

Particulars	As at April 1, 2021	Cash flows	Other non cash changes	As at March 31, 2022
Long term borrowings (including current maturities)	239.63	(54.60)	-	**185.03**
Lease liabilities (including current maturities)	416.77	(183.99)	222.89	**455.67**
Short term borrowings	9,387.75	(4,633.49)	-	**4,754.26**
	10,044.15	**(4,872.08)**	**222.89**	**5,394.96**

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Notes to Financial Statements 3 to 54
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INSECTICIDES (INDIA) LIMITED
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Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 30, 2023

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Notes to consolidated financial statements for the year ended March 31, 2023

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.

IIL Biologicals Limited (wholly owned subsidiary) was incorporated on July 18, 2022 by the Company to undertake the manufacturing activities of chemicals, pesticides and technical products for the agriculture purpose.

Insecticides (India) Limited together with IIL Biologicals Limited (Subsidiary) and OAT & IIL India Lab (P) Ltd.(Joint venture) are hereinafter referred to as the "Group".

The Group's financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2023.

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.

1.2. Basis of consolidation

Subsidiary

(a) The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

(b) The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Group. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(c) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(d) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(e) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on 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.

Notes to consolidated financial statements for the year ended March 31, 2023

(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.

1.2. 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

Notes to consolidated financial statements for the year ended March 31, 2023

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

Notes to consolidated financial statements for the year ended March 31, 2023

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) Investment Properties

Investment properties are properties held for capital appreciation or the purpose of future use is not yet determined by the management as of the reporting date. Investment properties are measured initially at cost, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company. All other repair and maintenance costs are recognized in Statement of profit and loss as incurred.

Notes to consolidated financial statements for the year ended March 31, 2023

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Though the Company measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair values are determined based on the evaluation performed by the management based on the acceptable valuation method.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the Statement of profit and loss in the period of de-recognition.

(f) 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.

(g) 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.

(h) 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

Notes to consolidated financial statements for the year ended March 31, 2023

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 35)
- Financial instruments (including those carried at amortised cost) (note 8, 12, 16 and 19)

(i) 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 (k) 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

Notes to consolidated financial statements for the year ended March 31, 2023

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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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. All trade receivables do not contain a significant financing component and are measured at transaction price.

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

Notes to consolidated financial statements for the year ended March 31, 2023

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

Notes to consolidated financial statements for the year ended March 31, 2023

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	360-720days	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.

(o) 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 16 and 19.

Notes to consolidated financial statements for the year ended March 31, 2023

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.

(p) 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.

(q) 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.

(r) 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.

(s) 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

Notes to consolidated financial statements for the year ended March 31, 2023

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.

(t) 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.

(u) 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.

(v) 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 39 for segment information presented.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

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

3(a) Property, plant and equipment

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2022	Addition	Sale / Adjustment	Balance as at March 31, 2023	Balance as at April 01, 2022	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments	Balance as at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Freehold land	88.51	16.12	-	104.63	-	-	-	-	104.63	88.51
Buildings	9,306.86	1,231.39	-	10,538.25	1,535.30	331.48	-	1,866.78	8,671.47	7,771.56
Plant and machinery	19,759.24	1,602.89	10.68	21,351.45	7,424.84	1,510.75	2.65	8,932.94	12,418.51	12,334.40
Roads	1,330.39	-	-	1,330.39	922.30	153.70	-	1,076.00	254.39	408.09
Office equipments	157.08	19.68	0.49	176.27	102.61	17.66	0.39	119.88	56.39	54.47
Furniture & fixtures	238.36	5.56	-	243.92	120.76	23.31	-	144.07	99.85	117.60
Electrical fittings	472.55	18.09	-	490.64	281.83	25.89	-	307.72	182.92	190.72
Computers	256.21	15.60	0.32	271.49	175.30	28.74	0.21	203.83	67.66	80.91
Vehicles	1,568.68	355.52	171.10	1,753.10	529.18	198.49	99.37	628.30	1,124.80	1,039.50
Total	**33,177.88**	**3,264.85**	**182.59**	**36,260.14**	**11,092.12**	**2,290.02**	**102.62**	**13,279.52**	**22,980.62**	**22,085.76**

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Addition	Sale / Adjustment	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,562.76	744.10	-	9,306.86	1,233.23	302.07	-	1,535.30	7,771.56	7,329.53
Plant and machinery	17,357.33	2,683.90	281.99	19,759.24	6,017.12	1,577.40	169.68	7,424.84	12,334.40	11,340.21
Roads	1,330.39	-	-	1,330.39	768.59	153.71	-	922.30	408.09	561.80
Office equipments	139.63	22.42	4.97	157.08	89.65	16.90	3.94	102.61	54.47	49.98
Furniture & fixtures	251.61	5.45	18.70	238.36	109.01	24.75	13.00	120.76	117.60	142.60
Electrical fittings	415.88	56.67	-	472.55	227.63	54.20	-	281.83	190.72	188.25
Computers	235.25	21.12	0.16	256.21	148.69	26.66	0.05	175.30	80.91	86.56
Vehicles	1,493.94	199.78	125.04	1,568.68	427.86	179.16	77.84	529.18	1,039.50	1,066.08
Total	**29,875.30**	**3,733.44**	**430.86**	**33,177.88**	**9,021.78**	**2,334.85**	**264.51**	**11,092.12**	**22,085.76**	**20,853.52**

Note:-

a) **Contractual obligations -** Refer to note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) **Assets charged against borrowings -** Refer note 45 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, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

3(b) Capital Work In Progress

Cost	Amount
As at April 1, 2021	**5,187.22**
Additions	6,524.85
Capitalised during the year	(3,135.12)
As at March 31, 2022	**8,576.95**
As at April 1, 2022	**8,576.95**
Additions	5,813.91
Capitalised during the year	(2,645.47)
As at March 31, 2023	**11,745.39**

CWIP Aging Schedule:

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	4,358.40	4,995.40	1,242.20	1,149.39	**11,745.39**
Projects temporarily suspended	-	-	-	-	-

CWIP Aging Schedule:

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	6,068.29	1,331.24	527.61	649.81	**8,576.95**
Projects temporarily suspended	-	-	-	-	-

Note:-

Capital work-in-progress - Capital work-in-progress majorly comprises expenditure in the course of construction at Dahej and Chopanki Technical Plant.

4 Investment Properties

Description	Gross Block					Accumulated Depreciation				Net Block March 31, 2023
	Opening	Additions	Disposals	Assets held for sale	Closing	Opening	Additions	Disposals	Closing	
Land	-	86.84	-	-	86.84	-	-	-	-	86.84
Total	**-**	**86.84**	**-**	**-**	**86.84**	**-**	**-**	**-**	**-**	**86.84**

All title deeds of immovable properties are held in the name of the Group.

The Group has not recognised any amount in statement of profit and loss for investment properties.

Notes to consolidated financial statements for the year ended March 31, 2023

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

Particulars	Amount
Property at Khasra No.1710	51.98
Property at Khasra No.1714	34.86
Total	**86.84**

The intended purpose of acquisition of the said property is to conduct the "Field Trial of new Products" or "Establishment of Factory". However, management is also looking for other strategic locations for the Factory.

The management has also evaluated the option to sell the mentioned property upon receipt of appreciated value, therefore it is undeterminable whether the property be use for business or sell.

Fair Value:

The fair value of investment property has been determined by the management using market prevailing rates applicable to the same location.

5 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, 2022	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2023	Balance as at April 01, 2022	Depre-ciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	2,241.89	-	-	2,241.89	45.83	15.65	-	61.48	2,180.41	2,196.06
Office Premises	147.23	20.58	75.62	92.19	50.85	33.66	34.01	50.50	41.69	96.38
Warehouses	574.52	190.63	180.09	585.06	271.12	168.74	129.99	309.87	275.19	303.40
Total	**2,963.64**	**211.21**	**255.71**	**2,919.14**	**367.80**	**218.05**	**164.00**	**421.85**	**2,497.29**	**2,595.84**

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	2,241.89	-	-	2,241.89	30.17	15.66	-	45.83	2,196.06	2,211.72
Office Premises	124.48	119.99	97.24	147.23	95.67	49.95	94.77	50.85	96.38	28.81
Warehouses	629.37	126.50	181.35	574.52	285.34	151.18	165.40	271.12	303.40	344.03
Total	**2,995.74**	**246.49**	**278.59**	**2,963.64**	**411.18**	**216.79**	**260.17**	**367.80**	**2,595.84**	**2,584.56**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

Other intangible assets and intangible assets under development

6(a) Other intangible assets

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2022	Addition	Sale / Adjust-ment	Balance as at March 31, 2023	Balance as at April 01, 2022	Amortisation for the year		Balance as at March 31, 2023	As at March 31, 2023	As at March 31, 2022
						Amortisa-tion	Disposal / adjustment			
Software	132.92	41.50	-	174.42	45.47	21.44	-	66.91	107.51	87.45
Website	1.00	-	1.00	-	0.60	0.40	1.00	-	-	0.40
Patents, trademarks and designs	721.41	139.64	3.66	857.39	193.05	80.27	3.66	269.66	587.73	528.36
Total	**855.33**	**181.14**	**4.66**	**1,031.81**	**239.12**	**102.11**	**4.66**	**336.57**	**695.24**	**616.21**

Description of assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Addition	Sale / Adjust-ment	Balance as at March 31, 2022	Balance as at April 01, 2021	Amortisation for the year		Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
						Amortisa-tion	Disposal / adjust-ment			
Software	187.94	43.00	98.02	132.92	129.07	14.42	98.02	45.47	87.45	58.87
Website	2.65	-	1.65	1.00	1.75	0.50	1.65	0.60	0.40	0.90
Patents, trademarks and designs	608.26	214.65	101.50	721.41	226.20	68.35	101.50	193.05	528.36	382.06
Total	**798.85**	**257.65**	**201.17**	**855.33**	**357.02**	**83.27**	**201.17**	**239.12**	**616.21**	**441.83**

6(b) Intangible assets under development*

Cost	Amount
As at April 1, 2021	**677.54**
Additions	100.73
Capitalised during the year	(257.65)
As at March 31, 2022	**520.62**
As at April 1, 2022	**520.62**
Additions	208.86
Capitalised during the year	(168.64)
As at March 31, 2023	**560.84**

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

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

Intangible assets under development aging schedule:

As at March 31, 2023

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	195.57	15.58	78.27	271.42	**560.84**
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule:

As at March 31, 2022

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in progress	27.83	95.35	150.67	246.77	**520.62**
Projects temporarily suspended	-	-	-	-	-

7 Investment in subsidiary and joint venture - at cost

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in joint venture		
Investment in unquoted equity shares - Fully paid-up - At cost		
795,000 (March 31, 2022: 795,000) Equity shares of OAT & IIL India Lab.(P) Ltd. at INR 100 each	1,061.22	1,034.91
Total	**1,061.22**	**1,034.91**
*Refer note 38		

8 Financial assets - non-current

8(a) Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments stated at fair value through OCI		
Investments in equity instruments - quoted (fully paid) - Listed at Tokyo Stock Exchange		
72,800 (March 31, 2022: 72,800) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company)	631.80	520.34
Total	**631.80**	**520.34**
Aggregate book value of quoted investments	631.80	520.34
Aggregate market value of quoted investments	631.80	520.34

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

8(b) Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposit accounts with banks having remaining maturity more than twelve months	37.04	136.41
Interest accrued on fixed deposit with banks	-	0.36
Security deposits	168.62	124.78
Total	**205.66**	**261.55**

9 Income tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax	2,628.84	1,686.31
[Net of provision for tax INR 2,123.47 (March 31, 2022: INR 3,601.85)]		
Total	**2,628.84**	**1,686.31**

10 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Capital advances		
-to related parties (refer note 40)	203.26	201.25
-to others	2,732.21	877.45
Advances other than capital advances		
Balances with government authorities	369.44	367.74
Prepaid expenses	11.98	0.73
Total	**3,316.89**	**1,447.17**

11 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
At the lower of cost and net realisable value		
Raw material	35,560.59	25,405.02
Packing material	2,157.30	1,713.55
Work-in-progress	8,797.17	6,037.81
Stock-in-trade (Traded goods)	1,712.16	1,740.89
Finished goods (Manufactured) {(INR 1.64 (March 31, 2022: INR 10.91) in transit}	37,821.26	27,955.12
Stores, Scrap material, Spares Parts & Fuel	123.59	170.03
Total	**86,172.07**	**63,022.42**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

12 Financial assets - current

12(a) Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
- related parties (refer note 40)	474.00	138.62
- others	30,637.14	30,213.97
Less: Allowance for expected credit losses	(1,486.70)	(1,461.36)
Total (refer note 48)	**29,624.44**	**28,891.23**
Breakup of Trade Receivables		
Unsecured, considered good	29,624.44	28,891.23
Credit Impaired	1,486.70	1,461.36
Subtotal	**31,111.14**	**30,352.59**
Allowance for expected credit losses (refer note 36)	(1,486.70)	(1,461.36)
Total	**29,624.44**	**28,891.23**
(a) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.	-	-
(b) Trade or Other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.	11.21	-
(c) Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.		
(d) For explanations on the Group's credit risk management processes, refer note 36.		
Trade receivable aging schedule		

As at March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	20,685.51	8,567.03	260.16	310.15	30.53	130.96	**29,984.34**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	-	-	0.83	27.89	106.06	992.02	**1,126.80**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**20,685.51**	**8,567.03**	**260.99**	**338.04**	**136.59**	**1,122.98**	**31,111.14**
Allowance for expected credit losses	(20.63)	(24.43)	(13.05)	(169.02)	(136.59)	(1,122.98)	**(1,486.70)**
Net carrying amount	**20,664.88**	**8,542.60**	**247.94**	**169.02**	**-**	**-**	**29,624.44**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	17,987.56	10,213.57	643.44	221.24	614.88	209.40	**29,890.09**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	0.73	7.59	2.03	2.09	184.56	265.50	**462.50**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**17,988.29**	**10,221.16**	**645.47**	**223.33**	**799.44**	**474.90**	**30,352.59**
Allowance for expected credit losses	(17.93)	(25.15)	(32.27)	(111.67)	(799.44)	(474.90)	**(1,461.36)**
Net carrying amount	**17,970.36**	**10,196.01**	**613.20**	**111.66**	**-**	**-**	**28,891.23**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

12(b) Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	1,855.15	3,592.17
Cash on hand	7.66	6.13
Total	**1,862.81**	**3,598.30**

12(c) Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
In earmarked accounts		
Unpaid dividend	5.23	4.29
Balances with banks		
On deposit accounts with remaining maturity less than twelve months	101.36	11.29
Total	**106.59**	**15.58**

12(d) Loans

Particulars	Interest rate	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
Loans to employees	-	19.23	12.87
Total		**19.23**	**12.87**
Note:-			
Loans due from directors or other officers of the Group at the end of the period.		Nil	Nil

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

12(e) Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit and loss		
Derivative assets	43.27	84.08
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	17.20	8.65
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	9.33	35.01
Interest subsidy recoverable	-	60.14
Total	**89.40**	**207.48**

13 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 40)	209.20	-
-to others	698.86	1,870.20
Capital advances		
-to others	1.00	-
Advances to employees	14.39	23.80
Balances with government authorities	4,053.40	2,420.29
Prepaid expenses	369.39	211.92
Total	**5,346.24**	**4,526.21**
Advance due from directors or other officers at the end of the year	Nil	Nil
Advance due by firms or private companies in which any director of the Group is a director or member	Nil	Nil

14 Equity share capital

Particulars	Number of shares	INR
Authorised share capital		
As at April 1, 2021	25,000,000	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2022	**25,000,000**	**2,500.00**
As at April 1, 2022	25,000,000	2,500.00
Increase/(decrease) during the year	10,000,000	1,000.00
At March 31, 2023	**35,000,000**	**3,500.00**

Particulars	Number of shares	INR
Issued equity share capital		
Equity shares of INR 10 each issued, subscribed and fully paid.		
As at April 1, 2021	20,667,796	2,066.78
Buyback during the year	(935,905)	(93.59)
At March 31, 2022	**19,731,891**	**1,973.19**
As at April 1, 2022	19,731,891	1,973.19
Issue of bonus shares during the year	9,865,946	986.59
At March 31, 2023	**29,597,837**	**2,959.78**

(a) Rights, preferences and restrictions attached to shares :

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

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.

(b) Increase in Authorised Share Capital :

Authorised share capital of the Company is increased from INR 2500 Lacs consisting of 2,50,00,000 equity shares of face value of INR 10/- each to INR 3500 Lacs consisting of 3,50,00,000 equity shares of face value of INR 10/- each.

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

The Group has allotted 98,65,946 equity shares of face value of INR 10/- each as bonus shares in the proportion of One bonus equity share of face value of INR 10/- for every Two equity share of face value of INR 10/- held as on the record date, by capitalising an amount of INR 986.59 from securities premium. The bonus shares were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. October 17, 2022.

(d) Buyback of Shares :

The Board of Directors of the Company at its meeting held on March 30, 2021, 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.

During the year ended March 31, 2022, 9,35,905 equity shares amounting to INR 4,916.74 lacs were purchased from the Stock Exchanges. The Company created Capital Redemption Reserve amounting to INR 93.59 lacs, equivalent to the nominal value of the shares brought back as an appropriation of General Reserve. Further, the Board of Directors in their meeting held on August 10, 2021 decided to close the Buyback w.e.f closing of trading hours of August 10, 2021.

(e) The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% Held	Number of Shares	% Held
Nikunj Aggarwal	4,687,500	15.84	3,125,000	15.84
Sanskar Aggarwal	4,352,700	14.71	2,901,800	14.71
Pushpa Aggarwal	3,227,850	10.91	2,151,900	10.91
Rajesh Aggarwal (HUF)	2,929,500	9.90	1,953,000	9.90
HDFC Small Cap Fund	2,601,000	8.79	1,734,390	8.79
Hari Chand Aggarwal (HUF)	2,241,000	7.57	1,494,000	7.57
Rajesh Aggarwal	1,983,180	6.70	1,322,120	6.70

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

Details of shares held by promoters*

As at March 31, 2023

Particulars	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of INR 10 each fully paid	Nikunj Aggarwal	3,125,000	1,562,500	4,687,500	15.84%	50.00%
Equity shares of INR 10 each fully paid	Sanskar Aggarwal	2,901,800	1,450,900	4,352,700	14.71%	50.00%
Equity shares of INR 10 each fully paid	Pushpa Aggarwal	2,151,900	1,075,950	3,227,850	10.91%	50.00%
Equity shares of INR 10 each fully paid	Rajesh Aggarwal (HUF)	1,953,000	976,500	2,929,500	9.90%	50.00%
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	747,000	2,241,000	7.57%	50.00%
Equity shares of INR 10 each fully paid	Rajesh Aggarwal	1,322,120	661,060	1,983,180	6.70%	50.00%
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal	923,400	461,700	1,385,100	4.68%	50.00%
Equity shares of INR 10 each fully paid	Isec Organics Limited	254,550	127,275	381,825	1.29%	50.00%
Equity shares of INR 10 each fully paid	Kritika Aggarwal	112,500	56,250	168,750	0.57%	50.00%
Total		**14,238,270**	**7,119,135**	**21,357,405**	**72.16%**	

As at March 31, 2022

Particulars	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of INR 10 each fully paid	Nikunj Aggarwal	3,125,000	-	3,125,000	15.84%	-
Equity shares of INR 10 each fully paid	Sanskar Aggarwal	2,901,800	-	2,901,800	14.71%	-
Equity shares of INR 10 each fully paid	Pushpa Aggarwal	2,151,900	-	2,151,900	10.91%	-
Equity shares of INR 10 each fully paid	Rajesh Aggarwal (HUF)	1,953,000	-	1,953,000	9.90%	-
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	-	1,494,000	7.57%	-
Equity shares of INR 10 each fully paid	Rajesh Aggarwal	1,322,120	-	1,322,120	6.70%	-
Equity shares of INR 10 each fully paid	Hari Chand Aggarwal	923,400	-	923,400	4.68%	-
Equity shares of INR 10 each fully paid	Isec Organics Limited	254,550	-	254,550	1.29%	-
Equity shares of INR 10 each fully paid	Kritika Aggarwal	112,500	-	112,500	0.57%	-
Total		**14,238,270**	**-**	**14,238,270**	**72.16%**	

*Promoter here means promoter as defined in the Companies Act, 2013.

** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Notes to consolidated financial statements for the year ended March 31, 2023

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

15 Other equity

a) Reserves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	81,825.76	77,043.41
Securities premium	3,597.79	4,584.38
General reserve	3,107.93	3,107.93
Capital redemption reserve	93.59	93.59
Total reserves and surplus	**88,625.07**	**84,829.31**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Retained earnings		
Opening balance	77,043.41	66,321.87
Profit for the year	6,321.12	10,742.82
Items that will not be reclassified subsquently to profit or loss		
Remeasurements of the net defined benefit plans, net of tax	(53.60)	(21.28)
Transaction cost of issued share capital	(5.28)	-
Final dividend paid during the year	(591.96)	-
Interim dividend paid during the year	(887.93)	-
Closing balance	**81,825.76**	**77,043.41**
(ii) Securities premium		
Opening balance	4,584.38	10,410.18
Premium paid on buy-back of equity shares including premium, expenses & taxes	-	(5,825.80)
Issue of bonus shares	(986.59)	-
Closing balance	**3,597.79**	**4,584.38**
(iii) General reserve		
Opening balance	3,107.93	3,201.52
Add: Appropriations	-	(93.59)
Closing balance	**3,107.93**	**3,107.93**
(iv) Capital redemption reserve		
Opening balance	93.59	-
Add: Appropriations	-	93.59
Closing balance	**93.59**	**93.59**
Total reserves and surplus	**88,625.07**	**84,829.31**

b) Other reserves

Particulars	As at March 31, 2023	As at March 31, 2022
Equity instruments through other comprehensive income	244.12	158.62
Total other reserves	**244.12**	**158.62**

Notes to consolidated financial statements for the year ended March 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
i) Equity instruments through other comprehensive income		
Opening balance	158.62	37.16
Change in fair value of equity instruments, net of tax	85.50	121.46
Closing balance	**244.12**	**158.62**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 32.		
Total other equity	**88,869.19**	**84,987.93**

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, 2023 & March 31, 2022.

d) **Capital redemption reserve -** As per the Companies Act, 2013, capital redemption reserve is created when Group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

e) **Equity instruments through other comprehensive income -** 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.

16 Financial liabilities - Non Current

16(a)Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Indian rupee loan from banks		
Vehicle loans	410.36	375.29
Total	**410.36**	**375.29**
Less: Current maturities of non-current borrowings (included in note 19(a))	224.43	190.26
Non-current borrowings	**185.93**	**185.03**
Loan guaranteed by directors	410.36	375.29

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 7.50% to 9.00% per annum.

Notes to consolidated financial statements for the year ended March 31, 2023

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

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 45.

16(b) Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current	145.86	201.36
Non-current	216.89	254.31
Total	**362.75**	**455.67**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	**455.67**	**416.77**
Accretion of interest	45.03	49.87
Addition in lease liability	211.20	246.50
Repayment of lease liability	(244.10)	(233.86)
Derecognition of lease liability	(105.05)	(23.61)
Balance as at end of the year	**362.75**	**455.67**

The maturity analysis of the lease liability is included in the refer note 36.

The effective interest rate for lease liabilities is 11%, with maturity between 2021-2030

17(a) Non current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefit provisions		
Provision for gratuity	-	-
Provision for leave encashment	183.22	161.05
Total	**183.22**	**161.05**

17(b) Current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefit provisions		
Provision for gratuity	223.04	153.49
Provision for leave encashment	25.33	23.22
Total	**248.37**	**176.71**

(a) Defined contribution plan

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss: (note 26)	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to Employee's Provident Fund (including admin charges)	475.40	413.46
Employer's contribution to Employee's State Insurance	15.89	13.70
Total	**491.29**	**427.16**

Notes to consolidated financial statements for the year ended March 31, 2023

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

(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 company's plan are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Rate of discounting	7.39%	6.90%
Rate of salary increase	8.00%	8.00%
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%)	(For Service 2 years and below- 27%); (For Service 3 years to 4 years - 15%); (For Service 5 years and above- 8%)
Mortality rate during employment	IALM (2012-14)	IALM (2012-14)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	1,509.20	1,248.95
Interest cost	102.97	80.82
Current service cost	137.69	118.56
Past service cost	-	-
Benefits paid	(57.28)	(29.60)
Actuarial (gain) / loss		
Due to change in Demographic assumptions	-	0.41
Due to change in financial assumptions	(51.34)	(32.26)
Due to change in experience	82.50	122.32
Closing defined benefit obligation	**1,723.74**	**1,509.20**

Changes in the Fair Value of Plan Assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the year	1,355.71	859.98
Interest income	92.38	55.27
Contributions by the employer	154.49	410.00
Benefits paid	(57.28)	(29.60)
Return on plan assets, excluding interest income	(44.60)	60.06
Fair Value of Plan Assets at the End of the Period	**1,500.70**	**1,355.71**

Notes to consolidated financial statements for the year ended March 31, 2023

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

Reconciliation of fair value of plan assets and defined benefit obligation:	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	(1,723.74)	(1,509.20)
Fair value of plan assets	1,500.70	1,355.71
Plan asset / (liability)	**(223.04)**	**(153.49)**

Expenses recognised in profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
Net interest cost	10.59	25.55
Current service cost	137.69	118.56
Past service cost	-	-
Net expense *	**148.28**	**144.11**

* Includes INR 8.31 (March 31, 2022 - INR 7.79) transfer to Research & Development Expenditure

Expenses recognised in other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain) / loss on defined benefit obligation	31.16	90.47
Return on Plan Assets, excluding Interest Income	44.60	(60.06)
Total expense recognised in statement of other comprehensive income	**75.76**	**30.40**

Major categories of plan assets of the fair value of the total plan assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Total	In %	Total	In %
Insurance fund	1,500.70	100%	1,355.71	100%
Total	**1,500.70**	**100%**	**1,355.71**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligation (base)	1,723.74	1,509.20
Change in discount rate		
Increase by 1%	(95.51)	(89.79)
Decrease by 1%	108.33	102.29
Change in rate of salary increase		
Increase by 1%	99.83	95.27
Decrease by 1%	(92.16)	(87.40)
Change in rate of employee turnover		
Increase by 1%	(5.95)	(8.78)
Decrease by 1%	6.33	9.57

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	339.60	263.78
Between 1 and 5 years	600.13	502.00
Between 5 and 10 years	731.40	622.85
More than 10 years	1,379.49	1,257.55

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts in ₹ 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.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

18 Deferred tax liabilities (Net)

Particulars	As at April 1, 2022	(Charge)/ credit to Statement of Profit and Loss	(Charge) / credit to other comprehensive income	MAT credit utilised	As at March 31, 2023
Deferred tax liabilities					
Property, plant and equipment and intangible assets	1,673.25	2.20	-	-	1,675.45
Derivatives	21.16	(10.27)	-	-	10.89
Right-of-use asset	100.62	(20.87)	-	-	79.75
Investments	48.18	-	25.97	-	74.15
Total deferred tax liabilities	**1,843.21**	**(28.94)**	**25.97**	**-**	**1,840.24**
Deferred tax assets					
Allowance for expected credit losses	(367.79)	(6.37)	-	-	(374.16)
Derivatives	-	(1.83)	-	-	(1.83)
Lease liabilities	(111.18)	20.80	-	-	(90.38)
Employee benefit provisions	(85.01)	(4.55)	(19.07)	-	(108.63)
Unabsorbed losses	-	(0.14)	-	-	(0.14)
Others	-	(0.03)	-	-	(0.03)
Total deferred tax assets	**(563.98)**	**7.88**	**(19.07)**	**-**	**(575.17)**
Net deferred tax liabilities	**1,279.23**	**(21.06)**	**6.90**	**-**	**1,265.07**

Notes to consolidated financial statements for the year ended March 31, 2023

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

Particulars	As at April 1, 2021	(Charge)/ credit to Statement of Profit and Loss	(Charge) / credit to other comprehensive income	MAT credit utilised	As at March 31, 2022
Deferred tax liabilities					
Property, plant and equipment and intangible assets	1,756.29	(83.04)	-	-	1,673.25
Derivatives	2.37	18.79	-	-	21.16
Right-of-use asset	93.84	6.78	-	-	100.62
Investments	11.29	-	36.89	-	48.18
Total deferred tax liabilities	**1,863.79**	**(57.47)**	**36.89**	**-**	**1,843.21**
Deferred tax assets					
Allowance for expected credit losses	(277.19)	(90.60)	-	-	(367.79)
Derivatives	(10.42)	10.42	-	-	-
Borrowings	-	-	-	-	-
Lease liabilities	(101.64)	(9.54)	-	-	(111.18)
Employee benefit provisions	(138.85)	61.50	(7.66)	-	(85.01)
Total deferred tax assets	**(528.10)**	**(28.22)**	**(7.66)**	**-**	**(563.98)**
Net deferred tax liabilities	**1,335.69**	**(85.69)**	**29.24**	**-**	**1,279.23**

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.

19 Financial Liabilities - Current

19(a) Borrowings

Particulars	Maturity date	Interest rate	As at March 31, 2023	As at March 31, 2022
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr 23 - Aug 23	7.50% - 8.00%	12,216.38	1,847.89
Cash credit from banks	On demand	10.95%	3,280.22	2,716.11
Current maturities of non-current borrowings (refer note 16(a))			224.43	190.26
Total			**15,721.03**	**4,754.26**

Working Capital Loans (Loans repayable on demand, Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over entire current assets, present & future and entire movable fixed assets, present & future except for those specifically charged to other lender. These loans are additionally secured by equitable mortgage on pari passu basis over Factory Land & Building and Plant & Machinery at E-442, E-443 and E-444 at RIICO Industrial Area, Chopanki and negative lien on Group's office at Azadpur (Delhi). Further, these loans have been personally guaranteed by Mr.Hari Chand Aggarwal and Mr. Rajesh Aggarwal, directors of the Group.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 45.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

19(b) Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- related parties (refer note 40)	901.48	196.29
- others	43,925.30	32,182.58
Total	**44,826.78**	**32,378.87**

Particulars	As at March 31, 2023	As at March 31, 2022
(A) total outstanding due of micro enterprises and small enterprises	2,705.98	2,445.13
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	42,120.80	29,933.74
Total	**44,826.78**	**32,378.87**

As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,705.98	-	-	-	**2,705.98**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	42,083.37	37.43	-	-	**42,120.80**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,445.13	-	-	-	**2,445.13**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	29,912.31	21.30	0.09	0.04	**29,933.74**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

Trade payables are non-interest bearing and are settled on agreed terms.

Refer note 47 for disclosure pertaining to Micro, Small & Medium Enterprises Development Act, 2006.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

19(c) Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities at amortised cost		
Security deposits received from customers	803.16	719.67
Creditors for capital expenditure	645.76	793.35
Interest accrued on borrowings	29.93	0.23
Employee payables		
- related parties (refer note 40)	37.92	15.61
- others	1,620.80	1,360.86
Unpaid dividend account	5.23	4.29
Financial liabilities at fair value through profit and loss		
Derivative liabilities	7.26	-
Total	**3,150.06**	**2,894.01**

20 Other current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers (refer note 48)	11,455.69	9,704.23
Statutory dues	403.54	631.66
Total	**11,859.23**	**10,335.89**

21 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payable	-	37.91
Total	**-**	**37.91**

22 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
Finished goods	164,501.62	142,156.92
Traded goods	15,228.56	7,667.30
Total	**179,730.18**	**149,824.22**
Other operating revenue		
Revenue from job work	-	11.79
Sale of scrap & others	80.24	106.71
Government grants *	322.43	453.08
Total revenue from operations	**180,132.85**	**150,395.80**

* 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.

Notes to consolidated financial statements for the year ended March 31, 2023

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

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, 2023	Year ended March 31, 2022
Within India	170,338.78	136,748.50
Outside India	9,391.40	13,075.72
Total	**179,730.18**	**149,824.22**

Timing of revenue recognition

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
At a point in time		
Sale of finished goods	164,501.62	142,156.92
Sale of traded goods	15,228.56	7,667.30
Total	**179,730.18**	**149,824.22**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contract	198,133.36	164,538.76
Adjustments for variable consideration:		
Discounts and rebates	(18,403.18)	(14,714.54)
Revenue from contracts with customers	**179,730.18**	**149,824.22**

c) Aggregate amount of the transaction price allocated to performance obligations that are unsatisfied at end of the year:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advance from customers* (refer note 48)	11,455.69	9,704.23
Revenue recognised from amounts included in advance from customers at beginning of the year	9,704.23	9,169.88

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, 2023, 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, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

23 Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
Fixed deposits with banks	8.30	46.53
Other assets	3.53	2.05
Dividend income from equity investments designated at fair value through other comprehensive income*	20.31	10.22
Net gain on lease modification	13.34	5.19
Miscellaneous income	80.91	76.74
Exchange difference (net)	-	170.38
Net gain on fair value changes	-	
Derivatives at FVTPL	-	116.04
Total other income	**126.39**	**427.15**

* All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period, and as these investments are not held for trade.

24 Cost of raw material and components consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw Material		
Inventory at the beginning of the year	25,405.02	27,360.29
Add: Purchases	139,034.03	91,686.65
	164,439.05	119,046.94
Less: inventory at the end of the year	35,560.59	25,405.02
Cost of raw material consumed	**128,878.46**	**93,641.92**
Packing Material		
Inventory at the beginning of the year	1,713.55	1,845.54
Add: Purchases	11,511.81	9,880.26
	13,225.36	11,725.80
Less: inventory at the end of the year	2,157.30	1,713.55
Cost of packing material consumed	**11,068.06**	**10,012.25**
Total Cost of raw material and components consumed	**139,946.52**	**103,654.17**

25 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished goods	37,821.26	27,955.12
Semi-finished goods	8,797.17	6,037.81
Traded goods	1,712.16	1,740.89
	48,330.59	**35,733.82**
Inventories at the beginning of the year		
Finished goods	27,955.12	27,809.01
Semi-finished goods	6,037.81	7,803.01
Traded goods	1,740.89	1,132.16
	35,733.82	**36,744.18**
Total (Increase)/Decrease in inventories	**(12,596.77)**	**1,010.36**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

Details of inventory	Year ended March 31, 2023	Year ended March 31, 2022
Traded goods		
Liquid	1,269.63	799.10
Powder	274.06	586.20
Granules	168.47	355.59
Total	**1,712.16**	**1,740.89**
Finished goods		
Liquid	20,304.89	12,196.03
Powder	3,964.39	5,402.85
Granules	5,522.93	4,167.40
Technicals	8,029.05	6,188.84
Total	**37,821.26**	**27,955.12**

26 Employee benefit expenses

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus		8,694.63	7,651.92
Contribution to provident and other funds	17(b)	510.36	441.32
Gratuity expense	17(b)	139.97	136.32
Staff welfare expenses		493.09	435.42
Total employee benefit expenses		**9,838.05**	**8,664.98**

27 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	35.21	33.00
Interest on CC Limits, buyer's credit and demand loans	1,004.89	366.48
Interest on Lease Liabilities	45.03	49.87
Interest (Others)	43.20	48.27
Other borrowings costs		
Bank charges	216.77	165.76
Total finance costs	**1,345.10**	**663.38**

28 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of tangible assets	3(a)	2,290.02	2,334.85
Depreciation of right-of-use assets	5	218.05	216.79
Amortization of intangible assets	6(a)	102.11	83.27
Total depreciation and amortization expense		**2,610.18**	**2,634.91**

Notes to consolidated financial statements for the year ended March 31, 2023

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

29 Other expenses

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares		1,230.08	1,166.44
Power and fuel expenses		3,540.26	2,963.03
Transport charges		3,967.91	3,046.92
Field promotion		1,944.25	-
Repairs and maintenance			
Buildings		13.75	3.67
Plant & machinery		268.13	236.18
Others		487.60	329.06
Pollution control expenses		260.23	195.12
Advertising and sales promotion		942.26	467.41
Commission		682.05	614.24
Travelling and conveyance		1,812.19	1,424.10
Rent	43	35.49	31.01
Insurance		323.05	266.87
Communication expenses		36.15	31.71
Printing and stationery		32.31	25.73
Legal and professional fees		642.54	545.60
Director sitting fees	40	14.70	8.80
Payment to auditors	29(a)	53.13	47.06
Electricity & water charges		67.28	66.93
Rates and taxes		61.53	41.56
Security charges		129.76	117.08
Research & development Expenses	30	892.65	765.44
Loss on sale of property, plant and equipment (net)		6.65	129.20
Corporate social responsibility expenses	29(b)	271.91	269.73
Allowance for expected credit losses	36	25.34	359.99
Net losses on fair value changes			
Derivatives at FVTPL		48.08	-
Exchange difference (net)		1,059.80	-
Bad debts written off		26.71	140.43
Export sales expenses		232.42	431.90
Miscellaneous expenses		435.76	287.55
Total other expenses		**19,543.97**	**14,012.76**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Statutory Audit Fees	48.72	45.15
In other capacity		
Reimbursement of expenses	4.41	1.91
Total	**53.13**	**47.06**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

29(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.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Group	267.00	269.06
Shortfall of previous year spent during the year	-	-
Total amount spent for the financial year	(271.91)	(269.73)
Amount shortfall at end of the year	**-**	**-**
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	271.91	269.73
- yet to be paid in cash	-	-
Total	**271.91**	**269.73**

The entire amount is spent through the IIL foundation which is a related party (refer note 40).

30 Research & Development Expenditure

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Chopanki :		
(i) Revenue expenditure :		
(a) Employee cost	201.62	169.95
(b) Cost of material & testing charges	24.23	11.62
(c) Other R&D expenditure	19.49	16.28
(d) Consultancy charges to OAT & IIL	366.33	293.88
(ii) Capital expenditure	25.87	63.27
Chopanki Total	**637.54**	**555.00**
Shamli :		
(i) Revenue expenditure :		
(a) Employee cost	118.48	110.74
(b) Cost of material & testing charges	1.98	1.96
(c) Other R&D expenditure	4.43	3.46
(ii) Capital expenditure	0.85	32.52
Shamli Total	**125.74**	**148.68**
Dahej :		
(i) Revenue expenditure :		
(a) Employee cost	87.02	86.82
(b) Cost of material & testing charges	30.41	26.62
(c) Other R&D expenditure	15.13	24.33
(ii) Capital expenditure	0.16	99.38
Dahej Total	**132.72**	**237.15**
Total	**896.00**	**940.83**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

31 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.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,123.47	3,601.85
Adjustment of tax relating to earlier periods	(40.62)	(121.75)
Total current tax expense	**2,082.85**	**3,480.10**
Deferred tax		
(Decrease) /increase in deferred tax liabilities	(28.94)	(57.47)
Decrease/ (increase) in deferred tax assets	7.88	(28.22)
Total deferred tax expense/(benefit)	**(21.06)**	**(85.69)**
Income tax expense	**2,061.79**	**3,394.41**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income tax expense	**8,359.71**	**14,096.54**
Tax at the Indian statutory income tax rate of 25.168% (March 31, 2022: 25.168%)*	2,103.97	3,547.82
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	-
Deduction on account of tax holiday period	-	-
Other non-deductible / (taxable) items	(1.64)	(31.66)
Effect of difference in tax rates used to calculate deferred tax on temporary differences*	-	-
Adjustments due to change in tax rate used to calculate deferred tax on temporary differences	0.08	-
Adjustments for MAT Credit entitlement of earlier periods	-	-
Adjustments for current tax of earlier periods	(40.62)	(121.75)
Income tax expense	**2,061.79**	**3,394.41**

* 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, 2022: 25.168%) 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.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

32 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, 2023

Particulars	Equity instruments through other comprehensive income	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(56.70)	(56.70)
Gain/(loss) on FVTOCI financial assets	85.50	-	85.50
Share of other comprehensive income of joint venture	-	3.11	3.11
Total	**85.50**	**(53.59)**	**31.91**

During the year ended March 31, 2022

Particulars	Equity instruments through other comprehensive income	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(22.75)	(22.75)
Gain/(loss) on FVTOCI financial assets	121.46	-	121.46
Share of other comprehensive income of joint venture	-	1.47	1.47
Total	**121.46**	**(21.28)**	**100.18**

33 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, acGrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Notes to consolidated financial statements for the year ended March 31, 2023

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

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 17 (b).

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.

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.

34 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.

Notes to consolidated financial statements for the year ended March 31, 2023

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

Nature of instrument	As at March 31, 2023		As at March 31, 2022	
	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)	81.30	6,696.30	60.94	4,592.68
In respect of import bills accepted (USD)	3.19	261.37	2.24	168.23
	84.49	**6,957.67**	**63.18**	**4,760.91**
Forward contract - Sell				
In respect of trade receivables (USD)	65.98	5,509.42	46.55	3,617.19
	65.98	**5,509.42**	**46.55**	**3,617.19**
Unhedged foreign currency exposures				
a) Payables				
Letters of credit (USD)	274.31	22,542.90	434.28	32,914.17
Import bills accepted (Trade payables) (USD)	-	-	3.94	298.61
	274.31	**22,542.90**	**438.22**	**33,212.78**

35 Fair value measurements

(i) Financial instruments by category

Particulars	Note	As at March 31, 2023			As at March 31, 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Investments							
- Equity instruments	8(a)	-	631.80	-	-	520.34	-
Security deposits	8(b)	-	-	168.62	-	-	124.78
Deposit accounts with banks having remaining maturity more than twelve months	8(b)	-	-	37.04	-	-	136.41
Interest accrued on fixed deposit with banks	8(b)	-	-	-	-	-	0.36
b) Financial assets - Current							
Trade receivables	12(a)	-	-	29,624.44	-	-	28,891.23
Cash and cash equivalents	12(b)	-	-	1,862.81	-	-	3,598.30
Other bank balances	12(c)	-	-	106.59	-	-	15.58
Loans	12(d)	-	-	19.23	-	-	12.87
Derivative assets	12(e)	43.27	-	-	84.08	-	-
Dividend receivable	12(e)	-	-	17.20	-	-	8.65
Insurance claim recoverable	12(e)	-	-	-	-	-	-
Litigation charges recoverable	12(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	12(e)	-	-	9.33	-	-	35.01
Interest subsidy recoverable	12(e)	-	-	-	-	-	60.14
Total financial assets		**43.27**	**631.80**	**31,864.86**	**84.08**	**520.34**	**32,902.93**

Notes to consolidated financial statements for the year ended March 31, 2023

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

Particulars	Note	As at March 31, 2023			As at March 31, 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
c) Financial liabilities - Non-current							
Borrowings	16(a)	-	-	185.93	-	-	185.03
d) Financial liabilities - Current							
Borrowings	19(a)	-	-	15,496.60	-	-	4,564.00
Trade payables	19(b)	-	-	44,826.78	-	-	32,378.87
Current maturities of long-term borrowings	19(a)	-	-	224.43	-	-	190.26
Security deposits received from customers	19(c)	-	-	803.16	-	-	719.67
Creditors for capital expenditure	19(c)	-	-	645.76	-	-	793.35
Interest accrued on borrowings	19(c)	-	-	29.93	-	-	0.23
Employee payables	19(c)	-	-	1,658.72	-	-	1,376.47
Unpaid dividend account	19(c)	-	-	5.23	-	-	4.29
Derivative liabilities	19(c)	7.26	-	-	-	-	-
Total financial liabilities		**7.26**	**-**	**63,876.54**	**-**	**-**	**40,212.17**

(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.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	631.80	-	-	520.34	-	-
Financial assets at FVTPL						
-Derivative assets	-	43.27	-	-	84.08	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	7.26	-	-	-	-

*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.

Notes to consolidated financial statements for the year ended March 31, 2023

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

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

Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets and liabilities which are measured at amortised cost for which fair values are disclosed						
Financial assets						
Security deposits	-	-	168.62	-	-	124.78
Deposit accounts with banks having remaining maturity more than twelve months	-	-	37.04	-	-	136.41
Interest accrued on fixed deposit with banks	-	-	-	-	-	0.36
Financial liabilities						
Long term borrowings (including current maturities)	-	-	410.36	-	-	375.29

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

d) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes to consolidated financial statements for the year ended March 31, 2023

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

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

Particulars	Note	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	8(b)	168.62	168.62	124.78	124.78
-Deposit accounts with banks having remaining maturity more than twelve months*	8(b)	37.04	37.04	136.41	136.41
-Interest accrued on fixed deposit with banks*	8(b)	-	-	0.36	0.36
Financial liabilities					
- Long term borrowings (including current maturities)	16(a)	410.36	410.36	375.29	375.29

*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.

36 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

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

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.

(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 12(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, 2023 and March 31, 2022 is the carrying amounts as illustrated in Note 8 and 12 except for derivative financial instruments.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees	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, 2023

(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	19.23	0%	-	19.23
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	168.62	0%	-	168.62

(b) Allowance for expected credit losses on 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	20,685.51	6,137.85	2,429.18	260.99	338.04	1,259.57	**31,111.14**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	20.63	12.28	12.15	13.05	169.02	1,259.57	**1,486.70**
Carrying amount of trade receivables (net of expected credit losses)	**20,664.88**	**6,125.57**	**2,417.03**	**247.94**	**169.02**	**-**	**29,624.44**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

Year ended March 31, 2022

(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	12.87	0%	-	12.87
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	124.78	0%	-	124.78

(b) Allowance for expected credit losses on 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	17,988.29	8,650.81	1,570.35	645.47	223.34	1,274.33	**30,352.59**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	17.94	17.30	7.85	32.27	111.67	1,274.33	**1,461.36**
Carrying amount of trade receivables (net of expected credit losses)	**17,970.35**	**8,633.51**	**1,562.50**	**613.20**	**111.67**	**-**	**28,891.23**

Reconciliation of expected credit losses

Particulars	Amount
Loss allowance on March 31, 2021	**1,101.37**
Changes in loss allowance	359.99
Loss allowance on March 31, 2022	**1,461.36**
Changes in loss allowance	25.34
Loss allowance on March 31, 2023	**1,486.70**

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.

Notes to consolidated financial statements for the year ended March 31, 2023

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

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.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities subject to the reconcilation at the end of the reporting period :

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate		
Short term borrowings	24,553.10	13,704.86

(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, 2023	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	16(a)	224.43	185.93	-	**410.36**
Lease liabilities	16(b)	179.36	236.64	9.45	**425.45**
Short term borrowings	19(a)	15,496.60	-	-	**15,496.60**
Trade payables	19(b)	44,826.78	-	-	**44,826.78**
Security deposits received from customers	19(c)	803.16	-	-	**803.16**
Creditors for capital expenditure	19(c)	645.76	-	-	**645.76**
Interest accrued on borrowings	19(c)	29.93	-	-	**29.93**
Employee payables	19(c)	1,658.72	-	-	**1,658.72**
Unpaid dividend account	19(c)	5.23	-	-	**5.23**
Derivative liabilities	19(c)	7.26	-	-	**7.26**
Total		**63,877.23**	**422.57**	**9.45**	**64,309.25**

As at March 31, 2022	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	16(a)	190.26	185.03	-	**375.29**
Lease liabilities	16(b)	237.56	271.17	13.31	**522.04**
Short term borrowings	19(a)	4,564.00	-	-	**4,564.00**
Trade payables	19(b)	32,378.87	-	-	**32,378.87**
Security deposits received from customers	19(c)	719.67	-	-	**719.67**
Creditors for capital expenditure	19(c)	793.35	-	-	**793.35**
Interest accrued on borrowings	19(c)	0.23	-	-	**0.23**
Employee payables	19(c)	1,376.47	-	-	**1,376.47**
Unpaid dividend account	19(c)	4.29	-	-	**4.29**
Derivative liabilities	19(c)	-	-	-	**-**
Total		**40,264.70**	**456.20**	**13.31**	**40,734.21**

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

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, 2023 and March 31, 2022 the Group's hedge position is stated in Note 34. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Impact on profit before tax	
	Year ended March 31, 2023	Year ended March 31, 2022
USD sensitivity		
INR/USD - increase by 1% (March 31, 2022: 1%)	(225.43)	(332.13)
INR/USD - decrease by 1% (March 31, 2022: 1%)	225.43	332.13
AED sensitivity		
INR/AED - increase by 1% (March 31, 2022: 1%)	-	-
INR/AED - decrease by 1% (March 31, 2022: 1%)	-	-

JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (company listed on Tokyo Stock exchange)]

Particulars	Impact on other comprehensive income	
	Year ended March 31, 2023	Year ended March 31, 2022
INR/JPY - increase by 5% (March 31, 2022: 5%)	31.59	26.02
INR/JPY - decrease by 5% (March 31, 2022: 5%)	(31.59)	(26.02)

(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, 2023, 100% (March 31, 2022, 100%) of the Group's total borrowings are at a fixed rate of interest. As on March 31, 2023, 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

Notes to consolidated financial statements for the year ended March 31, 2023

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

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, 2023	As at March 31, 2022
Fixed rate borrowings		
Long term borrowings (including current maturities)	410.36	375.29
Short term borrowings	15,496.60	4,564.00
Variable rate borrowings		
Long term borrowings (including current maturities)	-	-
Total borrowings	**15,906.96**	**4,939.29**

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, 2023			As at March 31, 2022		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	-	-	0.00%	-	-	0.00%
Cross currency interest rate swaps (notional principal amount)	-	-	-	-	-	-
Net exposure to cash flow interest rate risk		**-**	**-**		**-**	**0.00%**

(b) Sensitivity

The Group's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is Nil at the end of the year, 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 32).

(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 63.18 (March 31, 2022: INR 52.03).

37 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

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

equivalents. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Total debt	16(a),19(a)	15,906.96	4,939.29
(Less): Cash and cash equivalents	12(b)	(1,862.81)	(3,598.30)
Net debt		**14,044.15**	**1,340.99**
Total capital	14,15	91,828.97	86,961.12
Capital and net debt		**105,873.12**	**88,302.11**
Gearing ratio		**13%**	**2%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 & March 31, 2022

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, 2023	Year ended March 31, 2022
(i) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2022: INR 3 (March 31, 2021: Nil) per share fully paid up	591.96	-
Interim dividend for the year ended March 31, 2023: INR 3 (March 31, 2022: Nil) per share fully paid up	887.93	-
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended interim dividend as final dividend of INR 3 per equity share fully paid up. Further, during the year ended March 31, 2022 the final dividend was declared of INR 3 per equity share fully paid up.	-	591.96

38 Interests in other entities

a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2023. 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, 2023	As at March 31, 2022
OAT & IIL India Laboratories Private Limited	India	20%	Joint venture	Audited	Equity method	1,061.22	1,034.91

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Share of commitments in respect of:		
Capital commitments in respect of Property, plant and equipment	0.00	0.00
Unpaid preference dividend	0.00	0.00

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

Particulars	OAT & IIL India Laboratories Private Limited	
	As at March 31, 2023	As at March 31, 2022
Current assets		
Cash and cash equivalents	1,335.86	2,312.49
Other assets	2,712.26	1,457.12
Total current assets	**4,048.12**	**3,769.61**
Total non-current assets	2,479.78	2,397.22
Total assets	**6,527.90**	**6,166.83**
Current liabilities		
Financial liabilities (excluding trade payables)	1.42	16.59
Other liabilities	1,018.32	753.77
Total current liabilities	**1,019.74**	**770.36**
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	202.08	221.90
Total non-current liabilities	**202.08**	**221.90**
Net assets	**5,306.08**	**5,174.57**

Reconciliation to carrying amounts

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net assets	5,174.58	4,963.76
Profit for the year	115.99	203.45
Other comprehensive income	15.51	7.36
Closing net assets	**5,306.08**	**5,174.57**
Group's share in %	20%	20%
Carrying amount	**1,061.22**	**1,034.91**

Notes to consolidated financial statements for the year ended March 31, 2023

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

Summarised Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from operations	3,444.07	3,457.90
Interest income	79.59	50.20
Other income	2.81	11.92
Total revenue	**3,526.47**	**3,520.02**
Expenses		
Cost of materials consumed	1,597.51	1,462.89
Changes in inventories of finished goods	50.07	121.90
Employee benefit expenses	706.65	707.28
Finance costs	51.89	2.58
Depreciation & amortisation expenses	144.42	165.18
Other expenses	792.40	786.27
Total expenses	**3,342.94**	**3,246.10**
Profit before tax	**183.53**	**273.92**
Tax expense	67.54	70.47
Profit after tax	**115.99**	**203.45**
Other comprehensive income	15.51	7.36
Total comprehensive income	**131.50**	**210.81**

39 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, 2023	Year ended March 31, 2022
Within India	170,338.78	136,748.50
Outside India	9,391.40	13,075.72
Total revenue	**179,730.18**	**149,824.22**

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.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

40 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
4. Sh. Anil Kumar Goyal - Whole-time Director (appointed w.e.f. August 20, 2022)

b) Key Management Personnel (KMP)

1. Sh. Sandeep Aggarwal - Chief Financial Officer
2. Sh. Sandeep Kumar - Company Secretary & CCO

c) Independent directors

1. Sh. Vrijesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Smt. Praveen Gupta
5. Sh. Anil Kumar Bhatia (appointed w.e.f. August 20, 2022)

d) Relatives of KMPs

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

e) Subsidiary / Joint Venture / Trust

1. OAT & IIL India Laboratories Private Limited - Joint Venture
2. IIL foundation - CSR Trust
3. IIL Employees Gratuity Trust - Gratuity Trust

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. Indogulf Cropsciences Limited
6. Crop Care Federation of India

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts in ₹ 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		Joint Venture / Trust		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, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement expense	**0.18**	**0.18**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	0.18	0.18	-	-	-	-	-	-	-	-	-	-
Consultancy expenses	-	-	-	-	-	-	-	-	**10.96**	**10.96**	-	-
Smt. Sonia Aggarwal	-	-	-	-	-	-	-	-	10.96	10.96	-	-
Deputation fee income	-	-	**39.17**	**33.98**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited	-	-	39.17	33.98	-	-	-	-	-	-	-	-
Membership & Subscription expense	**17.70**	**17.70**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	17.70	17.70	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
Purchase of Capital & Consumabable Goods	**278.52**	**339.91**	-	-	-	-	-	-	-	-	-	-
Vinod Metal Industries	278.52	339.91	-	-	-	-	-	-	-	-	-	-
Sales of Finished Goods	**1,259.24**	**570.16**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	520.26	85.67	-	-	-	-	-	-	-	-	-	-
Indogulf Cropsciences Limited	738.98	484.49	-	-	-	-	-	-	-	-	-	-
Purchases of Raw Material	**4,194.51**	**3,565.16**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	3,159.71	3,340.25	-	-	-	-	-	-	-	-	-	-
HPM Chemicals & Fertilizers Ltd	696.61	-	-	-	-	-	-	-	-	-	-	-
Indogulf Cropsciences Limited	338.19	224.91	-	-	-	-	-	-	-	-	-	-
Other Expenses	**8.85**	**2.60**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	8.85	2.60	-	-	-	-	-	-	-	-	-	-
R & D Expenses	-	-	**432.27**	**346.78**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			432.27	346.78	-	-	-	-	-	-	-	-
Rent paid	**12.97**	**33.42**	-	-	-	-	-	-	**4.89**	**2.64**	-	-
ISEC Organics Ltd	12.97	33.42	-	-	-	-	-	-	-	-	-	-
Smt. Pushpa Aggarwal	-	-	-	-	-	-	-	-	4.89	2.64	-	-
											-	-
Purchase of Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
ISEC Organics Ltd	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from Manpower supply	-	-	**56.28**	**54.55**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited	-	-	56.28	54.55	-	-	-	-	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2023

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

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Joint Venture / Trust		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, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Remuneration paid *	**-**	**-**	**-**	**-**	**727.23**	**876.73**	**60.66**	**52.74**	**47.51**	**45.50**	**-**	**-**
Sh. Hari Chand Aggarwal	-	-	-	-	341.04	422.53	-	-	-	-	-	-
Sh. Rajesh Aggarwal	-	-	-	-	328.72	410.65	-	-	-	-	-	-
Smt. Nikunj Aggarwal	-	-	-	-	48.01	43.55	-	-	-	-	-	-
Sh. Anil Kumar Goyal	-	-	-	-	9.46	-	-	-	-	-	-	-
Sh. Sandeep Aggarwal	-	-	-	-	-	-	41.73	36.45	-	-	-	-
Sh. Sandeep Kumar	-	-	-	-	-	-	18.93	16.29	-	-	-	-
Sh. Sanjeev Aggarwal	-	-	-	-	-	-	-	-	27.00	23.04	-	-
Smt. Anju Aggarwal	-	-	-	-	-	-	-	-	14.21	12.79	-	-
Smt. Kritika Aggarwal	-	-	-	-	-	-	-	-	-	3.37	-	-
Sh. Sanskar Aggarwal	-	-	-	-	-	-	-	-	6.30	6.30	-	-
Contribution to CSR	**-**	**-**	**271.91**	**269.73**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	-	-	271.91	269.73								
Deposit in Gratuity Trust	**-**	**-**	**9.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL Employees Gratuity Trust	-	-	9.00	-	-	-	-	-	-	-	-	-
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14.70**	**8.80**
Sh. Anil Kumar Bhatia	-	-	-	-	-	-	-	-	-	-	1.50	-
Sh. Jayaraman Swaminathan	-	-	-	-	-	-	-	-	-	-	4.20	2.80
Smt. Praveen Gupta	-	-	-	-	-	-	-	-	-	-	3.00	2.00
Sh. Navin Shah	-	-	-	-	-	-	-	-	-	-	3.00	2.00
Sh. Vrijesh Kumar Gupta	-	-	-	-	-	-	-	-	-	-	3.00	2.00

* Excluding post employment benefits

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts in ₹ 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		Subsidiary / Joint Venture / Trust		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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Remuneration payable	-	-	-	-	**27.20**	**9.76**	**5.97**	**3.17**	**4.75**	**2.68**	-	-
Sh. Hari Chand Aggarwal	-	-	-	-	11.09	4.59	-	-	-	-	-	-
Sh. Rajesh Aggarwal	-	-	-	-	9.77	3.04	-	-	-	-	-	-
Smt. Nikunj Aggarwal	-	-	-	-	4.68	2.13	-	-	-	-	-	-
Sh. Anil Kumar Goyal	-	-	-	-	1.66	-	-	-	-	-	-	-
Sh. Sandeep Aggarwal	-	-	-	-	-	-	3.93	1.92	-	-	-	-
Sh. Sandeep Kumar	-	-	-	-	-	-	2.04	1.25	-	-	-	-
Sh. Sanjeev Aggarwal	-	-	-	-	-	-	-	-	2.40	1.24	-	-
Smt. Anju Aggarwal	-	-	-	-	-	-	-	-	1.58	0.97	-	-
Smt. Kritika Aggarwal	-	-	-	-	-	-	-	-	-	-	-	-
Sh. Sanskar Aggarwal	-	-	-	-	-	-	-	-	0.77	0.47	-	-
Trade Payables	**900.64**	**195.45**	-	-	-	-	-	-	**0.84**	**0.84**	-	-
Vinod Metal Industries	77.74	178.92	-	-	-	-	-	-	-	-	-	-
Indogulf Cropsciences Limited	70.50	0.06	-	-	-	-	-	-	-	-	-	-
HPM Chemicals & Fertilizers Ltd	170.47	-	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Ltd	581.93	16.29	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	-	0.18	-	-	-	-	-	-	-	-	-	-
Smt. Sonia Aggarwal	-	-	-	-	-	-	-	-	0.84	0.84	-	-
Smt. Pushpa Aggarwal	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	**462.79**	**138.62**	**11.21**	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Ltd	87.12	-	-	-	-	-	-	-	-	-	-	-
Indogulf Cropsciences Ltd	375.67	138.62	-	-	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited	-	-	11.21	-	-	-	-	-	-	-	-	-
Advances given	**403.46**	**201.25**	**9.00**	-	-	-	-	-	-	-	-	-
Indogulf Cropsciences Limited	200.20	-	-	-	-	-	-	-	-	-	-	-
Isec Organics Ltd.	203.26	201.25	-	-	-	-	-	-	-	-	-	-
IIL Employees Gratuity Trust	-	-	9.00	-	-	-	-	-	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

iv) Key management personnel compensation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	787.89	929.47
Post-employment benefits	27.28	22.55
Long-term employee benefits	-	-
Total	**815.17**	**952.02**

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.

41 Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt		
a) Bank Guarantee	430.02	420.63
b) Excise Matter with Appellate Authority	429.51	429.51
c) Sales Tax / GST Matters	524.15	524.15
d) Revenue Department	89.60	89.60
Total	**1,473.28**	**1,463.89**

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.

42 Commitments

Commitments with respect to:

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	64.98	530.57
Other commitments		
Letter of credits (FLC & ILC)	8,887.03	20,517.04
	8,952.01	**21,047.61**

43 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 10 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.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

a) Amounts recognized in profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets (Refer Note 28)	218.05	216.79
Interest expense on lease liabilities (Refer Note 27)	45.03	49.87
Expense relating to short-term leases (included in rent) (Refer Note 29)	35.49	31.01
Net gain on lease modification (Refer Note 23)	(13.34)	(5.19)
Total	**285.23**	**292.48**

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.

44 Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit / loss for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Face value of equity shares (₹ per share)	10.00	10.00
Profit attributable to equity shareholders **(A)**	6,321.12	10,742.82
Weighted Average number of Equity Shares original	19,731,891	19,831,370
Impact of bonus issue effected during the year (allotment of 98,65,946 bonus shares at face value of ₹ 10 each)	9,865,946	9,865,946
Weighted Average number of Equity Shares post bonus used as denominator in calculating Basic Earnings Per Share (B)	**29,597,837**	**29,697,316**
EPS - basic (A/B) (₹)	**21.36**	**36.17**
Weighted Average number of Equity Shares post bonus used as denominator in calculating Basic earnings per share	29,597,837	29,697,316
Effect of dilutive common equivalent shares	-	-
Weighted average number of equity shares and common equivalent shares outstanding (C)	**29,597,837**	**29,697,316**
EPS - diluted (A/C) (₹)	**21.36**	**36.17**

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

45 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, 2023	As at March 31, 2022
Current			
Financial assets			
First charge			
Trade receivables	12(a)	29,624.44	28,891.23
Loans	12(d)	19.23	12.87
Other financial assets	12(e)	89.40	207.48
		29,733.07	**29,111.58**
Non-financial assets			
Inventories	11	86,172.07	63,022.42
Other current assets	13	923.45	1,894.00
Total current assets pledged as security		**116,828.59**	**94,028.00**
Non-Current			
Financial assets			
First charge			
Security deposits	8(b)	168.62	124.78
Non-financial assets			
Property, plant and equipment	3(a)	22,980.62	22,085.76
Capital work-in-progress	3(b)	11,745.39	8,576.95
Other non-current assets	10	2,935.47	1,078.70
Total non-currents assets pledged as security		**37,830.10**	**31,866.19**
Total assets pledged as security		**154,658.69**	**125,894.19**

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, by the Group, the additional impact on Provident Fund contributions by the Group is not expected to be material, whereas, the likely additional impact on Gratuity liability / contributions by the Group could be material. The Group will complete their evaluation and will give appropriate impact in the consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

47 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, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group :

	Particulars	As at March 31, 2023	As at March 31, 2022
i	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	-	2.72
	Interest	-	0.10
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	35.55	69.40
	Interest Paid during FY*	0.42	0.69
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.	-	-
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.		
	Accounting year ended 31st March 2023	-	-
	Accounting year ended 31st March 2022	-	0.10
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.	-	0.10

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

48 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, 2023	As at March 31, 2022
Trade Receivables (refer note 12(a))	29,624.44	28,891.23
Total trade receivables	**29,624.44**	**28,891.23**
Advance from customers (contract liabilities) (refer note 20 & 22)	11,455.69	9,704.23
Total advance from customers (contract liabilities)	**11,455.69**	**9,704.23**

49 The Group has received Refund of Terminal Excise Duty during the financial years 2014-15, 2015-16 & 2016-17 from the Director of Foreign Trade (DGFT), Ahmedabad on the basis of issuance of an Advance Release Order (ARO) by DGFT, Mumbai. On 28th November,2019, the Additional Director of Foreign Trade, Ahmedabad has issued show cause notice (which is primary stage of adjudication) stating that the refunds were erroneously paid by this office and directed to pay back the amount of INR 7,828.87 along with interest @ 15%. The Additional Director of Foreign Trade, Ahmedabad has also provided an opportunity to the Group to appear before the Authority which is mandatory requirement before adjudicating. In terms of the provisions of the Act, the Group filed the writ petition before Hon'ble Gujarat High Court against the Show Cause Notice challenging the legality of the notice and the Hon'ble court has granted interim relief and also stayed the show cause notice proceedings.

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

50 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Group.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Group.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the financial statements of the Group.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

These amendments had no impact on the financial statements of the Group.

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received

Notes to consolidated financial statements for the year ended March 31, 2023

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

between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments had no impact on the financial statements of the Group.

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments had no impact on the financial statements of the Group.

(b) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

(iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Notes to consolidated financial statements for the year ended March 31, 2023

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

51 Ratios

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change
Current Ratio	Current assets	Current liability	1.62	1.97	-17.77%
Debt-Equity Ratio *	Total debt	Total Shareholders' Equity	0.17	0.06	183.33%
Debt Service Coverage Ratio **	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (Depreciation & amortisation) + Finance costs	Debt service = Interest & Lease Payments + Principal Repayments	0.64	2.80	-77.14%
Return on Equity Ratio ***	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	7.07%	12.73%	-44.46%
Inventory turnover Ratio	Cost of goods sold	Average Inventory	1.86	1.72	8.14%
Trade Receivables turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.16	5.53	11.39%
Trade payables turnover Ratio ****	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	4.19	3.14	33.44%
Net capital turnover Ratio *****	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.81	3.04	25.33%
Net profit Ratio ***	Net Profit	Net sales = Total sales - sales return	3.51%	7.14%	-50.84%
Return on capital employed ***	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	8.87%	15.76%	-43.72%
Return on investment ******	OCI Income	Investment	21.42%	43.74%	-51.03%

Reasons for variance:

* Enlargement in borrowings has lead to increase in the ratio.

** Enlargement in borrowing along with reduction in profit has resulted to decline in the ratio.

*** Lower of profit has lead to decline in the ratio.

**** Higher purchases during the year has lead to increase in the ratio.

***** Higher sales along with reduction in working capital has resulted in an increase in the ratio.

****** Lower of Market valaue of Investment has resulted to decline in the ratio.

52 Other Amendments as per Sch III of the Companies Act, 2013

a) The Group does not have any benami property, nor any proceeding has been initiated or pending against the Group for holding any benami property.

b) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

c) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

the Group (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

d) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

e) The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.

g) The Group is not declared wilful defaulter by any bank or financials institution or other lender during the year.

h) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

i) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

j) The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

k) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

l) The Group does not have any loan or advance in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment

53 Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Notes to consolidated financial statements for the year ended March 31, 2023

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

54 Statutory Group Information

As at March 31, 2023

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	91,568.87	99.72%	6,298.75	99.65%	28.80	90.25%	6,327.55	99.60%
Indian subsidiaries								
IIL Biological Limited	(6.12)	-0.01%	(0.83)	-0.01%	-	0.00%	(0.83)	-0.01%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	266.22	0.29%	23.20	0.37%	3.11	9.75%	26.31	0.41%
Total equity	**91,828.97**		**6,321.12**		**31.91**		**6,353.03**	

As at March 31, 2022

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	86,721.21	99.72%	10,702.13	99.62%	98.71	98.53%	10,800.84	99.61%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	239.91	0.28%	40.69	0.38%	1.47	1.47%	42.16	0.39%
Total equity	**86,961.12**		**10,742.82**		**100.18**		**10,843.00**	

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration
No. - 000756N

VIJAY KUMAR
Partner
Membership No.- 092671

For DEVESH PAREKH & CO.
Chartered Accountants
Firm Registration No. - 013338N

DEVESH PAREKH
Partner
Membership No.- 092160

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INSECTICIDES (INDIA) LIMITED
CIN : L65991DL1996PLC083909

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

SANDEEP KUMAR
Company Secretary
PAN : AQIPK8144P

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP AGGARWAL
Chief Financial Officer
PAN : AAVPA7635C

Place : Delhi
Date : May 30, 2023

CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033
investor@insecticidesindia.com
www.insecticidesindia.com

NOTICE OF THE 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting ("AGM") of the members of **INSECTICIDES (INDIA) LIMITED** will be held on Saturday, September 23, 2023 at 03.00 p.m. 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, 2023 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 ₹3/- (Three Rupees only) per equity share of ₹10/- (Ten Rupees only) each already paid during the year as the Final Dividend for the financial year ended March 31, 2023

Item no. 3 – Re-appointment of Shri Anil Kumar Goyal as a director liable to retire by rotation

To appoint a director in place of Shri Anil Kumar Goyal (DIN: 09707818) who retires by rotation and, being eligible, seeks re-appointment.

Explanation: Based on the terms of appointment, Shri Anil Kumar Goyal is subject to retirement by rotation. Shri Anil Kumar Goyal, who was appointed for the current term on August 20, 2022 for the period of five years and whose office is liable to retire at the ensuing AGM, being eligible, seeks re-appointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his reappointment.

To consider and if thought fit, to 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, the approval of members of the Company, be and is hereby accorded to reappoint Anil Kumar Goyal (DIN: 09707818) as a director, who is liable to retire by rotation.

Special Business:

Item no. 4 – Ratification of remuneration of Cost Auditors for the financial year 2023-24

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, 2024, be and is hereby ratified.

RESOLVED FURTHER that the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

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

Sandeep Kumar
Company Secretary & CCO
Delhi, August 10, 2023

INSECTICIDES (INDIA) LIMITED
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi – 110033
investor@insecticidesindia.com
www.insecticidesindia.com

Notes:

1. In terms of latest General Circular No. 10/2022 dated December 28, 2022 and earlier circulars issued in regard to AGM through VC/OAVM by the Ministry of Corporate Affairs ("MCA circular") read with the Securities and Exchange Board of India Circular No. SEBI/ HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023 and earlier circulars issued in this regard ("SEBI circular") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("Listing Regulations"), has permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of the Members at a common venue. The 26th Annual General Meeting (AGM) of the members of the Company is being conducted through VC/ OAVM on Saturday, September 23, 2023 at 03:00 p.m. The deemed venue of the proceedings of the 26th AGM shall be the Registered Office of the Company situated at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.

3. The relevant details, pursuant to 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 26TH 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 certified 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 evoting@cdslindia.co.in and upload by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login at www.evotingindia.com or sent through post to the registered office of the company.

8. In line with the MCA Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depository Participants, unless any Member has requested for a physical copy of the same. The Company shall send a physical copy of the Annual Report 2022-23 to those Members who request the same at investor@insecticidesindia.com mentioning their Folio No. / DP ID and Client ID. The Notice convening the 26th AGM has been uploaded on the website of the Company at www.insecticidesindia.com under 'Investors' section and can also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at https://evotingindia.com

9. 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 23, 2023. Members who wish to inspect such documents can send their request to the Company at investor@insecticidesindia.com by mentioning name and Folio number/DPID and Client ID.

10. 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

22, 2023 through e-mail on investor@insecticidesindia.com. The same will be replied by the Company suitably.

11. The **"Cut-off Date"** for determining eligibility of the members for the purpose of remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM is **Saturday, September 16, 2023**

12. TDS on Dividend paid or distributed:

In term of the provisions of the Income Tax Act, 1962, dividend paid or distributed by the company shall be taxable in the hands of the Shareholders and the Company is required to deduct TDS from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961. In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/ Alankit Assignments Limited, Registrar and Transfer Agent ('Registrar' or 'RTA' or 'AAL') by sending documents through email. The detailed process is available on the website of the Company at: https://www.insecticidesindia.com

Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:

Shares held in physical form: Members are requested to send the following documents in original to AAL.

i. Form ISR-1 along with the supporting documents. The said form is available on the website of the Company at https://www.insecticidesindia.com/wp-content/uploads/2022/01/ISR-1.pdf.

ii. original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:-

- cancelled cheque in original.
- bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and the full address of the Bank branch.

iii. self-attested photocopy of the PAN Card of all the holders; and

iv. self-attested photocopy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change/addition/ deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to ensure that their DPs update their Electronic Bank Mandate.

Further, please note that instructions, if any, already given by the Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.

For Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means due to non-registration of the Electronic Bank Mandate, the Company shall despatch the dividend warrant/demand draft to such Members.

13. Unpaid/Unclaimed Dividend

Pursuant to the provisions of Section 124 of the Act, the dividend which remains unpaid/unclaimed for a period of seven consecutive years from the date of transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Members are also 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, 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/2023/01/SHRTRF_web_2023.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

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3 November, 2021.

14. Members may please note that SEBI vide its Circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the Company's website.

15. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Automated Clearing House (ACH)/Real Time Gross Settlement (RTGS)/Direct Credit/ IMPS/NEFT etc.

16. 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").

17. 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.

18. **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the website of the Company at www.insecticidesindia.com Members are requested to submit the requisite form to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio no.

19. **Members may contact AAL at rameshk1@alankit.com for any assistance relating to the shares of the Company.**

20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

21. **Process for registering email addresses to receive the credentials for remote e-Voting along with this Notice:** Member, whose email address is not registered with the Company/RTA or with their respective DPs and who wish to receive the credentials for remote e-Voting along with the Notice of the 26th AGM and the Annual Report 2022-23 can get their email address registered by sending a request to the Company at investor@insecticidesindia.com on or before 5.00 p.m. (IST) on Friday, September 15, 2023.

22. **Registration of email addresses permanently with the Company / DPs:** To support the Green initiative, Members are requested to register their email addresses with their concerned DPs, in respect of electronic holding and with AAL, in respect of physical holding. Further, those members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/ AAL for all future communications.

23. In terms of the provisions of Section 152 of the Act, Shri Anil Kumar Goyal, 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 his re-appointment. The details of Shri Anil Kumar Goyal, 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.

24. 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 26th AGM being held through VC.

25. Instructions for electronic voting and joining the AGM through Video Conferencing (VC)

(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 circulars and MCA Circulars 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 30 minutes before and after 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 at 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 Circulars.

(vi) Pursuant to MCA Circulars, 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. 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 at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

(ix) Members who hold shares in the certificate 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, 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.

(x) 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 19, 2023 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.

(xi) The process and manner for remote e-voting and joining virtual meetings are as under:

a) The voting period begins on September 19, 2023 and ends on September 22, 2023. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 16, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

c) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

d) 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 abovesaid 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 Depository**	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 users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 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, 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 cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 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. 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.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	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 toll free no. 1800 22 55 33
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 : 022 - 4886 7000 and 022 - 2499 7000

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

e) 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.

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

g) 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.

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

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

j) 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.

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

l) 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.

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

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

o) 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.

p) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

q) 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.

- It is Mandatory that, 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.

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 e-mail 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.

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 at 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 e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

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 30 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 30 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.

INSECTICIDES (INDIA) LIMITED
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi – 110033
investor@insecticidesindia.com
www.insecticidesindia.com

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

Sandeep Kumar
Company Secretary & CCO
Delhi, August 10, 2023

EXPLANATORY STATEMENT IN RESECT TO THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 of the accompanying Notice dated August 10, 2023

Item no. 4

Ratification of remuneration of Cost Auditors for the financial year, 2023-24

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, 2024.

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 ₹5,60,000/- (Rupees Five Lakhs Sixty Thousand Only) (excluding out of pocket expenses and applicable taxes) payable to the Cost Auditor for Financial year ending March 31, 2024 by passing Ordinary Resolution as set out at Item No. 4 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel ('KMP') of the Company and their respective relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the accompanying Notice.

INSECTICIDES (INDIA) LIMITED
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi – 110033
investor@insecticidesindia.com
www.insecticidesindia.com

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

Sandeep Kumar
Company Secretary & CCO
Delhi, August 10, 2023

Annexure to the Notice dated August 10, 2023

Information of Director retiring by rotation and the Directors seeking appointment and re-appointment at the Annual General Meeting pursuant to Regulation 26 and 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	**Shri Anil Kumar Goyal**
Age	58 Years
DIN	09707818
Designation / Category of Director	Whole-time Director
Date of Birth	November 23, 1965
Date of First Appointment on the Board	August 20, 2022
Qualification	B. Com (Hons)
Experience	Over 35 Years of Experience
Brief resume and nature of their expertise in specific functional areas	Shri Anil Kumar Goyal has a distinguished corporate career of 36 years. He has joined Insecticides (India) Limited in the Year 2009, he has been assigned with various roles and responsibilities in the Company, he has led various portfolios in Operations and Administration. Shri Anil Kumar Goyal is production oriented passionate people manager, driving production in focus and performance improvement. Other areas of his expertise includes sales, business planning, strategy development and innovation Shri Anil Kumar Goyal is Commerce Graduate from Delhi University.
Term and Condition of Appointment / Re-appointment	Re-appointment upon retirement by rotation
Details of remuneration sought to be paid and remuneration drawn	Kindly refer Corporate Governance Report section of this Annual Report.
Number of meeting of Board attended during the year (2022-2023)	3
Shareholding in Company as on March 31, 2023	Nil
Relationship with other Directors / KMPs	Not related to any of the Director or KMP of the Company
Names of the listed Companies in which person holds Directorship	Insecticides (India) Limited
Membership / Chairmanship of committees of other Boards as on 31/03/2023	None
Names of listed Companies in which person ceased to be a Director in past three years	None
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements.	NA

www.insecticidesindia.com

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