

REVITALIZING THE SOIL OF GROWTH



CORPORATE INFORMATION

Board of Directors

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

Rajesh Aggarwal
Managing Director (DIN: 00576872)

Nikunj Aggarwal
Whole-time Director (DIN: 06569091)

Vinod Kumar Mittal
Independent Director (DIN: 07421742)

Vrijesh Kumar Gupta
Independent Director (DIN: 06342540)

Navin Shah
Independent Director (DIN: 02701860)

S. Jayaraman
Independent Director (DIN: 02634470)

Deepak Gupta
Independent Director (DIN: 00241588)

Executive Officers

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

Board Committees

Audit Committee

Vinod Kumar Mittal (*Chairperson*)

Vrijesh Kumar Gupta

S. Jayaraman

Corporate Social Responsibility Committee

Hari Chand Aggarwal (*Chairperson*)

Rajesh Aggarwal

Vrijesh Kumar Gupta

Ashwani Kumar Aggarwal

Nomination and Remuneration Committee

S. Jayaraman (*Chairperson*)

Vrijesh Kumar Gupta

Navin Shah

Stakeholders Relationship Committee

Vrijesh Kumar Gupta (*Chairperson*)

Vinod Kumar Mittal

Navin Shah

Finance Committee

Hari Chand Aggarwal (*Chairperson*)

Vrijesh Kumar Gupta

Vinod Kumar Mittal

Statutory Auditors

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

Secretarial Auditors

M/s. Akash Gupta & Associates
Company Secretaries, Delhi

Internal Auditors

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

Cost Auditors

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

Bankers

Punjab National Bank

Citi Bank N.A.

Standard Chartered Bank

Yes Bank Ltd.

HDFC Bank Ltd.

HSBC

Registrar & Transfer Agent

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

Registered & Corporate Office

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

CIN : L65991DL1996PLC083909

Website : www.insecticidesindia.com

E-mail Id : investor@insecticidesindia.com

Plant Location

- Rajasthan**
E – 442, RIICO Industrial Area,
Chopanki, (Bhiwadi) – 301 707
E – 443-444, RIICO Industrial Area Chopanki,
(Bhiwadi) – 301 707
E-439-440, RIICO Industrial Area, Chopanki,
(Bhiwadi) – 301 707
- Jammu & Kashmir**
SIDCO Industrial Growth Centre,
Samba – 184 121
II D Centre, BattalBallian,
Udhampur – 182 101
- Gujarat**
CH-21, GIDC Industrial Estate, Dahej,
Dist. Bharuch – 392 130

INSIDE THIS REPORT

	Page No.
Management's Discussion and Analysis	29
Board's Report	34
- Annexure to Board's Report	40
Corporate Governance Report	61
Standalone Financial Statements	76
Consolidated Financial Statements	108
Notice	141

SOIL FOR THOUGHT

Most of the area under cultivation in India had been under plough for hundreds of years, and had reached its state of maximum impoverishment many years ago. Currently, Soil degradation in India is estimated to be occurring on 147 million hectares (Mha) of land, including 94 Mha from water erosion, 16 Mha from acidification, 14 Mha from flooding, 9 Mha from wind erosion, 6 Mha from salinity, and 7 Mha from a combination of factors. This is extremely serious because India supports 18% of the world's human population and 15% of the world's livestock population, but has only 2.4% of the world's land area.

Despite its low proportional land area, India ranks second worldwide in farm output. Agriculture, forestry, and fisheries account for 17% of the gross domestic product and employs about 58% of the total workforce of the country. But the challenge to keep this growth stable is getting intense, every day. Still, the production of one third of India's land is declining and this slide is set to cast a shadow on the sustainability of agriculture in near future.

We, at Insecticides (India) Limited, consider Soil as the numero uno resource of agriculture. That is why; we are constantly looking for holistic solutions through massive research & development.

Source: Economics of Land Degradation in India by G. Mythili and J. Goedecke

Insecticides (India) Limited is one of the premier agrochemical companies of India, committed to fortify agriculture. With a highly productive and progressive vision, it is endeavouring to make Indian farmers prosperous. Today, the company has a huge portfolio of more than 105 number of agrochemical products, 15 different technicals & biological products. Known for its power brands like Lethal, Victor, Pulsor, Hakama, Xplode, Monocil, Nuvan, Thimet, Logo & Green Label, the products of Insecticides (India) Limited have wide acceptability all over India.

A ROADMAP FOR NEXTGEN INDIAN AGRICULTURE

Agriculture sector remains the backbone of Indian economy and presently accounts for 17% of the country's GDP. Nearly 58% of the rural households rely on agriculture as their principal means of livelihood. Being a source of livelihood and food security of the nation, higher growth in agriculture assumes great importance and is matter of concern. At present the sector is yet to realize its full potential in terms of bringing in efficiencies across all the stages in the value chain. The population of marginal cultivators is now seen to increase. The landholdings are decreasing thus making the agriculture profession unviable for marginal cultivators.

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

Thus in the next generation agriculture practices, there is a need to do more with less and increase the yield by optimizing the available resources. Therefore, it is essential to adopt modern methods, discover new products to harness the growth potential of this sector.

As a fast growing company, IIL is continuously updating itself by enhancing intellectual capabilities, manufacturing processes to offer smarter solutions to the challenges; an average farmer faces every day in his field. By following a stringent business model, the company is collaborating with global brands and integrating its operations across R&D, manufacturing, marketing, development and distribution to deliver world class solutions to the farmers.





MISSION

To make agriculture sustainable and profitable for farmers by ensuring food security for all living beings on earth by using simple and effective technologies.

VISION

To make this earth greener and cleaner through our work & product portfolio, with the quality to stand as the first choice for the farmers worldwide.

A VISION FOR TRANSFORMATION

Dear Shareholders,

Land degradation poses a considerable challenge to agricultural growth and poverty reduction in India. As per the experts, about 44% of India's land area is degraded. The causes of land degradation are numerous and complex. Proximate factors include the extension of crop cultivation to marginal and low potential lands or to lands vulnerable to natural hazards, improper crop rotations, inadequate use of agricultural inputs and mismanagement of the irrigation system. Moreover, "shifting cultivation" practised in many parts of the country is responsible for deforestation and the expansion of agriculture to less productive lands.

Understanding the major causes of land degradation, is important for finding solution to mitigate the problem. Various analysis on drivers of land degradation shows that injudicious use of chemical fertilisers and decreasing land-man ratio are important reasons for increasing land degradation. At the household level, the quality of the drainage system, as well as application of organic manure may significantly reduce soil erosion. Proper management of irrigation water will go a long way in controlling degradation. If wastage of water is tackled, it would help in reducing water logging and salinity problems.

Creating awareness and ownership rights for cultivators are important steps in the challenge of mitigating land degradation. The solution lies in

introducing innovative products and changing the agricultural behaviour of the farmers collectively.

Keeping its promise to pursue growth by strengthening own capabilities and innovating in the best interest of farmers, your company has expanded its manufacturing as well as research facilities to serve the farmers in the best possible way. Educating the farmer on the latest technology and products remain its focus as always.

Your company has introduced a revolutionary organic product to answer the problem of soil degradation. It is going to be a positive contribution in the development of farmers and agriculture.

Your company is moving forward with a 12% growth in the top line reaching ₹1,107 Cr. in the year 2016-17. Forward thinking and integrated approach has helped us to increase our profitability to ₹58 Cr. (as against ₹39 Cr. in 2015-16).

We have great faith in what we are doing and together, we are looking forward to an exciting year ahead with newer opportunities and challenges. Your company shall continue to grow successfully. With the support of our customers, vendors and channel partners and other important stake holders, our will is to reach our goals with passion and determination.

I sincerely thank the entire IIL team, Management and Board for their continued support, and look forward to an exciting FY 2017-18.

“ Intensive farming practices, particularly wheat and paddy, initiated during the Green Revolution in 1970s, have mined nutrients from the soil. Soil degradation is limiting gains in agricultural output and forest production. While we are doing our bit, there is a need to find more solutions to this problem. I appeal the whole agriculture fraternity to find more measures and create more awareness amongst the farmers.

”



H. C. AGRAWAL
Chairman,
Insecticides (India) Limited



RAJESH AGGARWAL

Managing Director
Insecticides (India) Limited

FOLLOWING A GREENER PATH FOR A SUSTAINABLE FUTURE

“The decision we make today, creates tomorrow. And we are poised to script a better future for Indian agriculture with our new endeavors.”

As each financial year comes to an end, I'm usually asked about the top highlights for the year gone by. There were quite a few remarkable achievements for your company in the year 2016-17. All of them are so overwhelming that they are going to change the agricultural landscape of our country in the long run.

Although, we have performed exceptionally well, we still believe there is a huge opportunity yet to be tapped. Our strategic tie-ups with global Agro Chemical Companies are also growing in the best interest of the farmers. Last year, we have tied-up with Momentive Performance Materials Inc., USA and Nihon Nohyaku Co., Ltd., Japan for their global products. These products will enrich the product range of Tractor Brand. Our biological product division is also making waves in the country.

In the year 2016-17, we have successfully launched 10 new generation products that will help the farmers to grow with latest technologies.

Particularly, Green Label has not only emerged as an expert of weed control in paddy, it has also won accolades for being the first 'Make in India' product in the category. The product registered its presence throughout the interiors of India with its high impact and affordability.

Research is an area where we are working very intensively for quite a few

years now. The latest addition, in the pursuit, is the biological research center initiated at Uttar Pradesh. Process for GLP Lab has been also initiated during the last financial year. The initiative will soon emerge as a milestone in the area of research.

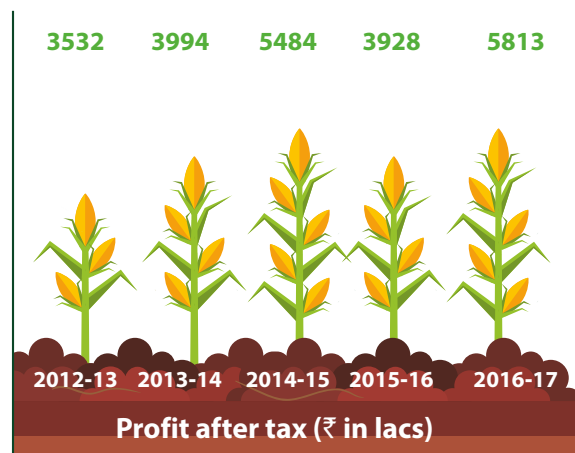
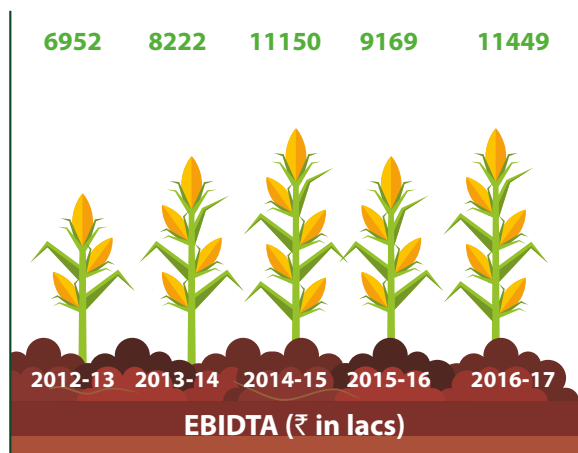
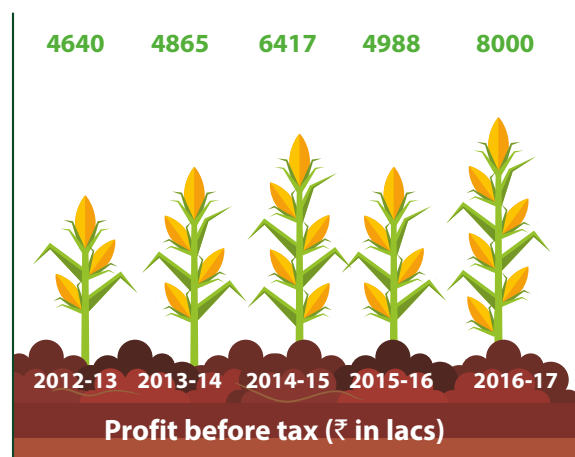
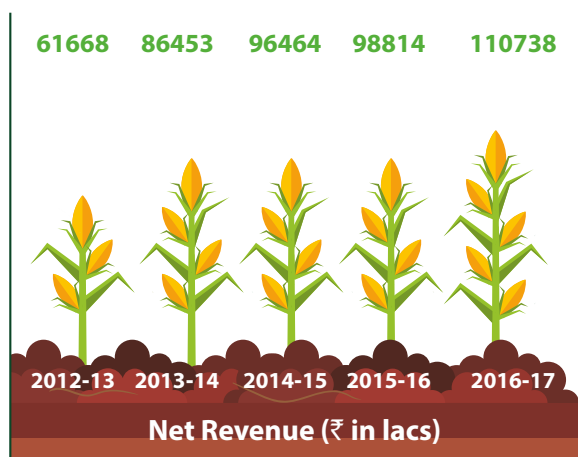
I am happy to share that we will soon be launching novel products powered by our research & development facilities. The new range will not only help the farmers, but also strengthen the bottom line of the company.

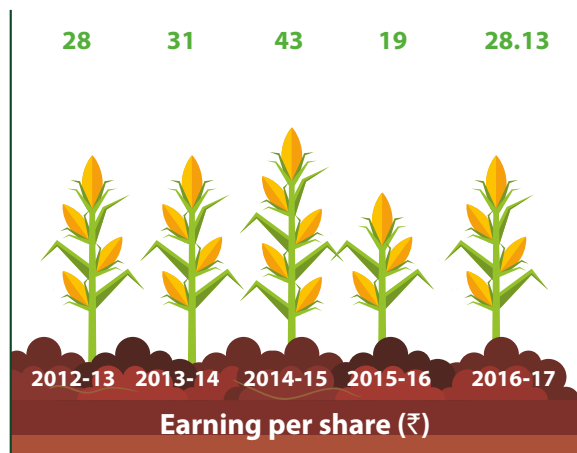
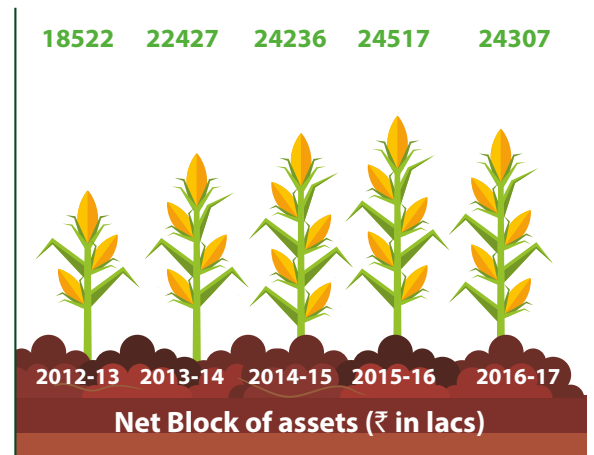
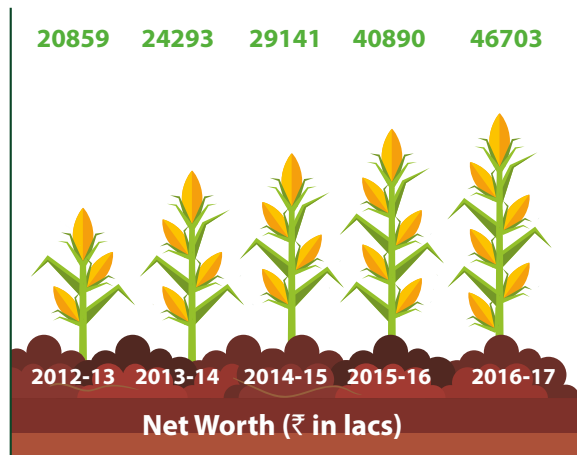
As you know, Green comprises our world. It has been a gift for our sustenance. But what is the source of this gift? Soil! All life depends upon the soil. That is why, our research team has been constantly working on to find out an innovative solution that can conserve and revitalize it. The intensive research has enabled us to introduce Kayakalp, a revolutionary biological product which will revitalize the soil in the farms naturally.

Over the years, we have transformed ourselves into an integrated solution provider, and are now moving steadily towards leveraging those strengths to achieve the level-next growth.

I look forward for more support from employees and stakeholders to focus on exploring and capitalising growth opportunities, expanding our presence and enriching farmers with the latest techniques.

DEMONSTRATED GROWTH IN PAST





*at closing price of BSE on 31.3.2017

FACTUAL OVERVIEW



Headquarters - Delhi,
started operations
in 2001-02



105+ Branded Products
15+ Technicals
375+ SKUs



Nation-wide strong
customer reach under
the umbrella brand
'Tractor Brand'



60,000+ Retail outlets
3,000 Distributors
26 Depots/Branches
500+ Sales Team

EVOLVING IN ALL DIRECTIONS



MARKETING

- Sales & Market Development
- Branding
- International Tie-ups & Collaborations



MANUFACTURING

- 5 Formulation Plants
- 2 Technical Synthesis Plants
- 1 Biological Manufacturing Plant*



R&D

- In-house R&D Centre
- Product Invention R&D Center in JV with OAT Agrico Co., Ltd., Japan
- NABL QC Labs



DEVELOPMENT & TRAINING

- Emphasis on Field Activities
- Farmer Awareness
- Salesforce Training

BRAND PRINCIPLE



**Evolving in Best Interest
of Farmers**

**Continuously Adopting
Innovative Measures**



“To bring synergistic benefits to the farmers by providing a comprehensive range of agro chemical product mix.”



Pursuing Eco-Friendly Production

Advancing Towards Sustainable Agricultural Practices



Ultra-modern Automated Manufacturing for Consistent Quality and Safety

MARCHING AHEAD WITH GLOBAL PARTNERS



AMVAC
Amvac Chemical Corporation
USA

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

Marketing Tie-up for specialty
products **PULSOR** Fungicide &
HAKAMA Selective Herbicide

★ **NISSAN CHEMICAL INDUSTRIES, LTD.**
JAPAN



★ **Nihon Nohyaku Co., Ltd.**
JAPAN

Tie-up for **SUZUKA**
(Flubendiamide) &
HAKKO (Buprofezin)

Insecticides (India) Ltd. believes in providing latest technology products to the farmers. Partnerships with global leaders in the category has played a vital role in this endeavour.

Tie-ups & collaborations with the international companies have made a significant difference to the product portfolio and the number is increasing...

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

MOMENTIVE™
USA



OAT Agrio Co., Ltd.
JAPAN

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

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

OAT Agrio Co., Ltd.
JAPAN

OAT & IIL INDIA LABORATORIES PRIVATE LIMITED



MADE IN INDIA

GREEN LABEL THE SPECIALIST OF WEED CONTROL IN PADDY

In FY 2016-17, Indian agriculture witnessed the launch of GREEN LABEL, a herbicide based on Bispyribac Sodium. Insecticides (India) Limited manufactured Bispyribac Sodium technical in India for the first time to end the dependency on imports. The unique product emerged as the specialist of weed control in paddy. GREEN LABEL grabbed mass attention right from the launch as it has been a highly competent product with 'Make in India' tag.



WITH PRIDE

KAYAKALP

A SOIL REVOLUTION

Insecticides (India) Limited recently launched its revolutionary product, KAYAKALP. Set to change the landscape of Indian agriculture forever, it is an innovative biological product able to bring back the natural fertility of land. Developed by the R&D Centre of Insecticides (India) Ltd., this 'Make in India' product increases the organic carbon of soil

and acts as a natural bio catalyser by enriching soil properties like ion exchange capability and water holding capacity. It also regulates the soil pH and ensures the availability of micro nutrients such as iron, zinc, magnesium, boron & many more to correct the land degradation and infertility.



FORMULATING QUALITY WITH TECHNICAL EXCELLENCE

PLANTS



Formulation Plant, Chopanki, Rajasthan



Technical Plant, Chopanki, Rajasthan



Formulation Plant, Dahej, Gujarat



**Biological Manufacturing Unit*,
Shamli, UP**



Technical Plant, Dahej, Gujarat

*under toll arrangement

Our 8 synchronised and automated manufacturing units spread across 5 locations in India are backed by refined processes and empowered by technology. In addition, our local reach enables us to understand the region specific needs and allows us to manufacture products with consistent quality across all vertical.




Formulation Plant, Samba, J&K




Formulation Plant, Udampur, J&K



Formulation Plant, 2, Chopanki, Rajasthan

 **2** Technical synthesis plants

 **5** Formulation plants

 **1** Biological manufacturing unit*

**17,450
KLPA**

Aggregate Installed
Capacity of Liquid

**75,600
MTPA**

Aggregate Installed
Capacity of Granules

**16,980
MTPA**

Aggregate Installed
Capacity of Powder

**13,800
MTPA**

Aggregate Installed Capacity
of Active Ingredient & Bulk

R&D FOR FUTURE READY WORLD



**Developed
50+ new
processes**

**4 Process
patent
received**

**More than
18 patent
pending**

**Development
and launch
of soil
transformation
formula**

Future depends on what we do today! And we strongly believe that only R&D can give us the key to the brighter future.

BIOLOGICAL R&D CENTRE

- Equipped with bio assay and product development facilities, Viz: Isolation, detection and multiplication of biological micro organisms.
- Developed and commercialized VAM (Vascular Arbuscular Mycorrhizae)
- Developed & Commercialised Kayakalp
- Looking forward to development of 3-4 new biological products



Product Invention R&D Centre in JV with OAT AGRIO Co., Ltd., Japan at Chopanki, Rajasthan



In House R & D Centre, Chopanki, Rajasthan



Formulation R & D Centre, Dahej, Gujarat



Biological R & D Centre, Shamli, UP

IN-HOUSE R&D CENTRE

- Established in 2005
- Approved by DSIR, Ministry of Science and Technology
- Signed an agreement with DSIR for commercialization of MNIO, which is an import substitute
- Four process patents has been Granted & over 18 process patents Filed
- Working on new formulations & new combination products
- Synthesis of new molecules
- Over 50 processes developed and 21 processes commercialized

R&D CENTRE IN JOINT VENTURE WITH OAT AGRIO CO.,Ltd., JAPAN

- First of its kind international R&D Centre, in JV with a Japanese company, OAT Agrio Co. Ltd.
- Spread in 25000 Sq. feet of working area
- Two different sections of Chemical and Biological Laboratories
- Equipped with the latest machines and equipments like NMR
- Lab set designed by Kewanee of the USA
- Led by the internationally renowned scientists with more than 25 years of experience in the field of Agro chemical research
- Ultra Modern Green houses for effective testing
- One of its kind Breeding Centers, Bio Assay Rooms and Spray-Cabinets

CARE FOR COMMUNITY

IIL Foundation strives to achieve sustainable development across the realms of Farmer Awareness & Child Education and undertakes the bulk of its CSR activities in the hinterlands of India.



EDUCATION



- Children education programs in districts of Punjab, Rajasthan, Bihar and Odisha
- Adoption of village schools
- Distribution of books, study materials and stationary to the underprivileged children
- Empowering people with dignity and respect by organizing livelihood programs

AWARENESS



- Aimed at educating farmers on crop protection and judicious use of agrochemicals
- Promoting the cultivation of 3rd crops for soil fertility and extra income
- Organizing special camps



Signed a MoU with ICAR – IARI for training of farmers to maximize their Yield & Entrepreneurship



EXPANDING INTO INTERNATIONAL MARKETS

As you know, your company had leveraged its manufacturing strength by supplying both active ingredients & formulations to overseas partners during FY 2016-17. Now, International Business forms an important and integral part of IIL's operations. We have established a noticeable presence in markets of Africa, Middle East and Asia.

During the period, IIL has focussed on overseas registrations and regulatory compliances across the countries. The company has also made tie-ups with international labs to prove the high quality of its products. With growing expertise, intensive research and world class manufacturing facilities, your company is now looking forward to expand its presence in more countries around the world this year.



ACTION DAIS



NEWSMAKERS

POST EMERGENCY HERBICIDE GREEN LABEL COMING

New Delhi: Leading agrochemical manufacturer Insecticides (India) Ltd. has launched a new post-emergence herbicide Green Label. The herbicide is designed to control weeds in paddy fields. It is a first of its kind in India. The herbicide is a first of its kind in India. The herbicide is a first of its kind in India.

इंसेक्टिसाइड्स लिमिटेड ने युमेटिव परफॉर्मैस मैटीरियल से किया करार

नई दिल्ली, 23 जुलाई (प्रेस) इंसेक्टिसाइड्स लिमिटेड (इंसेक्टिसाइड्स लिमिटेड) ने युमेटिव परफॉर्मैस मैटीरियल से किया करार। यह करार युमेटिव परफॉर्मैस मैटीरियल के साथ किया गया है।

किसानों को लाभ मिलेगा

नागपुर। प्रमुख कृषि रसायन दक कंपनी इंसेक्टिसाइड्स (इंडिया) लिमिटेड ने एडवांस्ड लांजी की मदद से भारत में खरपतवारनाशक ग्रीन पेशा किया है जो भारतीय किसानों को फायदा देगा।

भारतीय किसानों के लिए 'मेक इन इंडिया' इंसेक्टिसाइड्स (इंडिया) लिमिटेड ने भारत में पहली बार तकनीकी रूप से और फार्मूले से बना हर्बिसाइड ग्रीन लेबल पेश किया, यह उत्पाद आईआईएफएल के लिए एक और उपलब्धि बनने जा रहा है

नई दिल्ली, 23 जुलाई (प्रेस) भारतीय किसानों के लिए 'मेक इन इंडिया' इंसेक्टिसाइड्स (इंडिया) लिमिटेड ने भारत में पहली बार तकनीकी रूप से और फार्मूले से बना हर्बिसाइड ग्रीन लेबल पेश किया, यह उत्पाद आईआईएफएल के लिए एक और उपलब्धि बनने जा रहा है।

इंसेक्टिसाइड्स लि. ने पेश किया हर्बिसाइड ग्रीन लेबल

नई दिल्ली, 23 जुलाई (प्रेस) इंसेक्टिसाइड्स लि. ने पेश किया हर्बिसाइड ग्रीन लेबल। यह हर्बिसाइड ग्रीन लेबल पेश किया गया है।

इंसेक्टिसाइड्स ने मोमेंटिव मैटीरियल्स के साथ किया करार

नई दिल्ली, 23 जुलाई (प्रेस) इंसेक्टिसाइड्स ने मोमेंटिव मैटीरियल्स के साथ किया करार। यह करार मोमेंटिव मैटीरियल्स के साथ किया गया है।

इंसेक्टिसाइड्स इंडिया का मोमेंटिव के साथ करार

नई दिल्ली, 23 जुलाई (प्रेस) इंसेक्टिसाइड्स इंडिया का मोमेंटिव के साथ करार। यह करार मोमेंटिव के साथ किया गया है।

इंसेक्टिसाइड्स का निहोन नोयाकू से करार

नई दिल्ली, 23 जुलाई (प्रेस) इंसेक्टिसाइड्स का निहोन नोयाकू से करार। यह करार निहोन नोयाकू से किया गया है।

आईआईएफएल ने विद्यालय को लिया गोद

नई दिल्ली, 23 जुलाई (प्रेस) आईआईएफएल ने विद्यालय को लिया गोद। यह गोद विद्यालय को दिया गया है।

किसानों को लाभ मिलेगा

नागपुर। प्रमुख कृषि रसायन दक कंपनी इंसेक्टिसाइड्स (इंडिया) लिमिटेड ने एडवांस्ड लांजी की मदद से भारत में खरपतवारनाशक ग्रीन पेशा किया है जो भारतीय किसानों को फायदा देगा।

इंसेक्टिसाइड्स का जापानी कंपनी निहोन के साथ मजबूत

नई दिल्ली, 23 जुलाई (प्रेस) इंसेक्टिसाइड्स का जापानी कंपनी निहोन के साथ मजबूत। यह मजबूत निहोन के साथ किया गया है।

किसानों को लाभ मिलेगा

नागपुर। प्रमुख कृषि रसायन दक कंपनी इंसेक्टिसाइड्स (इंडिया) लिमिटेड ने एडवांस्ड लांजी की मदद से भारत में खरपतवारनाशक ग्रीन पेशा किया है जो भारतीय किसानों को फायदा देगा।

ENHANCING THE PRESENCE ON SOCIAL MEDIA



insecticides
(INDIA) LIMITED

ENGAGEMENT THROUGH ACTIVE PARTICIPATION

This year, we expanded our presence on social media to engage the farmers along with our team and channel partners on Digital platform. With a well defined strategy, we invested in developing engaging contents that would prove helpful for farmers e.g. informing about different government schemes, giving farming tips, suggesting them how to leverage from cottage industries, etc. We also leveraged social platform to bridge the gap between the team and farmers by doing Facebook Live where our MD, Mr. Rajesh Aggrawal shared his views directly.



HAPPY FARMERS HAPPY INDIA

We have also taken up initiative to bridge the gap between urban consumer and the farmers under our CSR initiative: Happy Farmers, Happy India. Here we educate urban customers on how a farmer works hard to get the meals they enjoy every day. We did some engaging contests to communicate the message. Recently, we have initiated a tree plantation drive on behalf of urban consumers by asking them to share details. For every detail shared, we have proposed to plant one tree for them.

THE IMPACT

Both the pages have reported a cumulative footfall within a very short span of time. This year, we are looking forward to engage more people to create awareness about the application of our products and promote judicious use of insecticides in farming.





ट्रैक्टर ब्रांड के महारत्न आधुनिक किसानों का विश्वास



अब शक्ति आपके हाथ में

CORPORATE OFFICE AND BRANCHES



MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview of the Economy

Global Economy

Global economy growth continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies. Major global events during the year included United Kingdom's decision to leave the European Union and the outcome of presidential elections in United States of America both the events are expected to have long-term effects on the global economy. Global growth in 2016 was estimated at 3.1% and is projected to rise to 3.5% in 2017. Growth in emerging markets and developing economies is expected to pick up in 2017 on the back of fiscal stimulus measures in developed economies and narrowing of divergence between commodity exporters and importers. The main factors that could possibly weigh on the medium-term growth prospects across many emerging markets and developing economies are weak investments, below par levels of productivity coupled with heightened policy uncertainty, and protectionist pressures.

Indian Economy – Review of economic scenario

India is emerging as a 'Bright Spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetize the two highest denomination notes which intends to curb black money and running of a parallel economy.

Cashless transactions systems have been encouraged across the board. The move towards digital payment has benefitted e-commerce companies though dependence on cash-on-delivery got impacted. In the urban markets, the drop in sales in traditional retail outlets due to lack of cash availability have been partially compensated by the modern trade channel. Greater formalization of the economy has triggered financial inclusion and the banking system has benefitted partially from higher levels of deposits as well as the opening of new accounts. The National Payments Corporation of India (NPCI) successfully finalized the Unified Payments Interface (UPI) platform enabling mobile phones in digitalization of payments. Over the past year much progress has been made in spreading JAM (Jan Dhan, Aadhar and Mobile) across the country which refers to large-scale, technology-enabled, real-time cash transfer. This has the potential of financial inclusion improving the economic lives of the poor.

The current emphasis on 'Make in India', investments in accelerating development of transport infrastructure, pro-reform approach and efforts at fiscal rationalization are all positive indicators and your Company is optimistic that the economy will pick up.

2. Indian Agricultural Industry

Overview

Agriculture is the principal source of livelihood of millions of people of this country. Even many of the big industrial houses find their inputs from agriculture alone and this is the main reason that industrial growth is directly and indirectly cohesively linked with Agriculture. This all could be possible only with the combined efforts of Central Government, State Government and with the sincere efforts of entire farming community which gives the result of record production year after year. This improvement of record production has been achieved through effective transfer of latest crop production technology to farmers under various crop development schemes being implemented by the Government of India and Industry.

The Agriculture Industry's growth rate of gross value added (GVA) at constant basic prices for 2016-17 is placed at 7.0 per cent, as against 7.2 per cent in 2015-16. At the sectoral level, growth of agriculture & allied sectors improved significantly in 2016-17, following the normal monsoon in the current year which was preceded by sub-par monsoon rainfall in 2014-15 and 2015-16.

Challenges of Agriculture Industry

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

Unpredictable weather patterns: Across the globe, changing weather patterns are a major concern not only affecting crop productivity but also impacting lives of the farmers. India has also experienced delayed monsoon and severe drought like conditions in several regions of the country for the past two years which has resulted in low agricultural output in those regions. On the other hand, unseasonal rains in some parts of the country like in South India affect crop schedules or cause mass destruction and spoilage of crops. This has had a negative impact on crops like rice, wheat and also horticultural produce.

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

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

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

Low per hectare yield: As per World Bank statistics for FY16, per hectare yield in India is amongst the lowest. Yields in India stand at 3 tons/ha compared to the global average of 4 tons/ha. Developed countries like USA (7), UK (7), France (7.5) and Germany (7) are able to achieve higher per hectare yields than India due to better farming practices.

3. Agrochemical sector

Overview

India is the fourth largest global producer of agrochemicals after the US, Japan and China. This segment generated a value of USD 4.4 billion in FY16 and is expected to grow at 7.2% per annum to reach USD 6.3 billion by FY20. Approximately 50% of the demand comes from domestic consumers and the rest from exports. During the same period, the domestic demand is expected to grow at 6.8% per annum and exports at 9% per annum.

FY17 has been a challenging year for crop protection chemicals market in India as well as throughout the world. Weak rainfall/ droughts, severe decline in the commodity prices, and demonetisation have affected the growth of crop protection chemicals market. The impact of these factors is likely to weigh on the sector for few more years. Indian agrochemicals market will be driven by growth in herbicides and fungicides, increasing awareness towards judicious use of agrochemicals, contract manufacturing and export opportunities.

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

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

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

In FY2017, monsoon in India is predicted to be better. This should help recover farm and related economic growth. El Nino effects are gradually fading in India and paving way for La Nina, which would be inductive to more rains and consequently increased farm production. This will translate into a better demand for crop protection chemicals. Input prices for crop protection chemical companies are likely to remain subdued in the near future which will impact selling prices for farmers. Due to this, while the market could grow in volume terms, but in value terms, growth would be moderate. The long term drivers like increasing population, current low capita consumption of pesticides, decreasing arable land, focus on productivity and increasing purchasing power would continue to remain intact and will drive the global crop protection market.

The Indian crop protection market is dominated by Insecticides, which form almost 60% of domestic crop protection chemicals market. The major applications are found in rice and cotton crops. Fungicides and Herbicides are the largest growing segments accounting for 18% and 16% respectively of total crop protection chemicals market respectively. As the weeds grow in damp and warm weather and die in cold seasons, the sale of herbicides is seasonal. Rice and wheat crops are the major application areas for herbicides. Increasing labor costs and labor shortage are key growth drivers for herbicides.

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

4. Opportunities and Challenges

Opportunities

The Company is working diligently to capitalize opportunities such as:

Contract Manufacturing and Export Opportunities: The export of pesticides from India has seen a strong growth over the last few years. Globally, India is the thirteenth largest exporter of pesticides. Most of the exports are off-patent products. The major exports from India happen to Brazil, USA, France and Netherlands. The key growth drivers are India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price

realization globally and strong presence in generic pesticide manufacturing (India has process technologies for more than 60 generic molecules). Due to the reasons mentioned above, India offers good scope for contract manufacturing as well.

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

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

Growth in herbicides and fungicides: Labor shortage, rising labor costs and growth in GM crops has led to growth in the use of herbicides. The herbicide consumption in India stands at 0.4 USD billion in FY17 and is expected to grow at a CAGR of 15% over the next five years to reach ~0.8USD billion by FY20. On the other hand the fungicide industry in India has grown due to the growth in Indian horticulture industry, which has grown at a CAGR of 7.5% over the last five years.

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

The other major growth drivers for agrochemicals are-

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

Challenges of Indian Agro chemical Industry

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

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

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

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

Non-genuine products: There is a significant share of non-genuine pesticides which include counterfeit, spurious, adulterated or sub-standard products. According to industry estimates the non-genuine pesticides could account for more than 40% of the pesticides sold in India in FY16. These products are inferior formulations which are unable to kill the pests or kill them efficiently. They also result in by-products which may significantly harm the soil and environment. Apart from crop loss and damage to soil fertility, use of non-genuine products leads to loss of revenue to farmers, agrochemical companies and government. Some of the key reasons for use of non-genuine products are lack of awareness amongst the farmers, difficulty in differentiating between genuine and non-genuine products, supply chain inefficiencies, law enforcement challenges and influencing power of distributors/retailers.

Company Overview

Insecticides (India) Limited (IIL) is today amongst the leading agrochemicals companies in India. With a strong product portfolio and a PAN India presence, we are among the few companies in the country to have a complete integrated portfolio.

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

Business highlights

While the macro economic factors remained subdued and volatile, we performed quite well during the year under review. Focus was on working towards the value addition in terms of the leading Navratna range contributing maximum to the top line as well as the bottom line. Numerous lunches in FY2017 helped to increase the market share. R&D also worked significantly and gave some edge making products, that are slated to be launched in following years, as the registration was also expected soon.

5. Financial Highlights

Profit and Loss

(₹ In Lacs)

	FY 2017	FY 2016	y-o-y Growth(%)
Revenue from Operations (Net)	110738.42	98814.53	12.07
EBITDA	11449.37	9168.72	24.87
Profit After Tax (PAT)	5813.82	3928.55	47.99
Basic EPS (Rs.)	28.13	20.01	40.58

Revenue from operations for the year increased by 12.07% y-o-y to Rs. 110738.42 lacs, which is above the industry rates. Insecticides (India) Limited achieved a higher growth due to continued Innovation, momentum in performance across segments.

FY 2017 EBITDA increased by 24.87. Interest expense decreased by 28.36 % y-o-y to Rs. 1853.80 lacs due to replacement of high cost debt with low cost debt along with renegotiation of interest rates. Marginal decrease in Other Income from Rs. 55.00 lacs to Rs. 55.61 lacs and PAT is increased by 47.99%.

Financial Condition

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

6. Operational Highlights

Operating Expenses

(₹ In lacs)

	FY 2017	FY 2016	y-o-y Growth(%)
Total Expenses	102793.52	93881.79	9.49
Operating Expenses	99344.05	89701.42	10.74
Financial Expenses	1853.80	2587.83	(28.36)

During the year total expenditure of the Company has been increase by 9.49% y-o-y to Rs. 102793.52 lacs. Total operating expenses increased 10.74% y-o-y to Rs.99344.05.

7. Human Resources

Insecticides India firmly believes that its employees are the key assets of the Company. The goal of the Human Resources Department is to enable the organization to achieve its strategic objectives, while ensuring employees are engaged and motivated. At Insecticides India, HR's success is measured by its ability to align and integrate processes profitably. The employees are evaluated and reviewed on Key Result Areas (KRAs) to assess the skills and plan for their future growth under MDP.

Training needs are identified to meet individual requirements through in-house training, on-the-job training and outdoor training as a continuous process. Trainings are classified on the basis of requirements like individual development on soft skills, professional & technical skills and management development program. Current efforts also include building skills, attracting and retaining talent and nurturing and developing leadership potential.

During the year under review, there was a cordial relationship with all the employees. There was no loss of production on account of any industrial unrest. The directors would like to acknowledge and appreciate the contribution of all employees towards the performance of the Company. As on March 31, 2017, the Company directly employed more than 1,000 people.

Research and Development

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

8. Risk management

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

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

Mitigation: The Company enjoys enduring relationships with farmers across the country's major crop growing areas. With problems like less rainfall and labour issues, agriculture productivity is a major issue. The Company is present with a comprehensive product range supported by multiple manufacturing facilities. The Company's manufacturing facilities are proximate to agriculture growing regions of the country, providing quick access from factory to farm.

Volatile raw material costs could affect the bottom-line

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

Quality aberrations could affect revenues

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

Obsolete technology could affect product quality

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

9. Internal Control System

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

10. Environment, Safety and Health Parameters

The Company has been following a stringent policy for implementing an Environmental management System (EMS) for meeting the purpose of organization's policy and objectives regarding environment. It aims at use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts. Occupational Health & Safety describes the Occupational Health & Safety Management System adopted by the Company, the elements of the OHSAS 18001:2007 standard and measures stipulated for ensuring the conformance to the Occupational Health & Safety Management System, legal & statutory requirements, continual improvement and satisfaction of interested parties (i.e. customers, suppliers, employees and public)

11. Corporate Social Responsibility

Insecticides India has set-up the IIL foundation to achieve inclusive growth for society at large. In order to achieve overall sustainability, the Company conducts several responsible activities. During the year under review, the Company continued its social welfare program called **Project Vidhya**.

The activity involved in Project Vidhya include distribution of books and study material to children and empowering them towards leading a better life. Another campaign was launched by the name of **Kisan Jagruta Abhiyan**, where farmers of the several districts in most of the states were uneducated and unable to use the new technology, unable to safe use the agro chemicals. With more than 5500 such meetings held with lacs of farmers in the guidance of the experts and the scientists from the various agriculture universities.

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, 2017.

1. Financial Results

(₹ In Lacs)

Particulars	Standalone	
	March 31, 2017	March 31, 2016
Revenue from Operations (Net)	110738.42	98814.53
Other Income (net)	55.00	55.61
Total Income	110793.42	98870.14
Less : Depreciation	1595.67	1592.54
Less : Expenditure	101197.85	92289.25
Profit Before Tax (PBT)	7999.90	4988.35
Less : Tax Expenses		
Current Tax	1,664.60	701.07
MAT Credit Entitlement	251.20	160.45
Deferred Tax	270.28	198.28
Profit After Tax (PAT)	5813.82	3928.55
Earnings per share (after extraordinary items) (Basic) (Rs.)	28.13	19.01
Earnings per share (after extraordinary items) (Diluted) (Rs.)	28.13	20.01

2. Financial Performance

During the year under review, the Turnover of the Company rose to Rs 118944.32/- Lacs as against Rs. 104790.72/- Lacs reported last year, registering a growth of 13.51%. The Company has earned Net Profit Rs. 5813.82/- Lacs, as against the net profit of Rs. 3928.55/- Lacs reported last year, registering a growth of 48%. The improvement in performance of your Company could mainly be attributed to better capacity utilization, ongoing emphasis on productivity and efficiency, improvement in all areas of operation.

3. Dividend and Reserves

Based on the Company's performance, the directors are pleased to recommend for approval of the members a final dividend of Rs. 2.00/- per share (20%) for FY 2016-17 (Previous year Rs. 2.00/- per share). The final dividend on equity shares, if approved by the members would involve a cash outflow of Rs. 497.51 Lacs (including Corporate Dividend Tax amounting to Rs. 84.16 Lacs)

The Register of member and share transfer Books will remain closed from July 31, 2017 to August 08, 2017 (both day inclusive) for the purpose of payment of final dividend for the Financial Year ended March 31, 2017.

4. Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2017 was Rs. 2066.78 lacs. There was no change in the Company's Share Capital during the year under review.

5. Credit Rating

The Company enjoys a good reputation for its sound financial management and ability to meet in financial commitments. CRISIL, A S&P Global Company, a reputed Rating Agency, has re-affirmed the credit rating of CRISIL A/Stable for the long-term and CRISIL A1 for the Short-term Bank facilities.

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

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

7. Deposits

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

8. Subsidiary Company, Associate Company And Joint Venture Company

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

The Company has "OAT & IIL India Laboratories Private Limited" as its joint venture company within the meaning of Section 2(6) of the Act, as on March 31, 2017. Also, the Company has "ISEC Organics Limited" as its associate company.

A highlight of performance of associates and joint ventures along with their contribution to the overall performance of the Company during the period are provided in **Annexure - 1** and hence not repeated here for the sake of brevity.

The Policy for determining material subsidiaries as approved may be accessed on the Company's **website at the link:** <http://www.insecticidesindia.com/Policy/RELATED%20PARTY%20TRANSACTION%20FINAL.pdf>

9. Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year 2016-17 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and Regulations as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI "Listing Regulations").

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

Pursuant to the provisions of Section 136 of the 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 www.insecticidesindia.com of the Company.

10. Transfer to Reserves

The Company proposes to retain the entire amount of Rs. 5813.81/- Lacs in the profit and loss account.

11. Management's discussion and analysis

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of the SEBI "Listing Regulations", is presented in a separate section forming part of the Annual Report.

12. Corporate Social Responsibility

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

The CSR Policy may be accessed on the Company's website at the link: <http://www.insecticidesindia.com/Policy/CSR%20Policy%20FINAL.pdf>.

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 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 Company over the short to medium term. Your Company has adopted the mechanism for periodic assessment to identify, analyze, and mitigation of the risk.

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

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

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

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

The Risk management Policy of the Company is annexed herewith as **Annexure - 3** to this Report.

14. Vigil Mechanism

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

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) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details regarding the remuneration and other requisite details are mentioned in the **Annexure – 4(a)** attached hereto.

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

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

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

16. Directors

In accordance with the provisions of Section 152 of the Act, Mrs. Nikunj Aggarwal (DIN: 06569091), Directors of the Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer herself, for re-appointment.

The information of Directors seeking appointment/ reappointment as required pursuant to Regulation 36(3) of SEBI Listing Regulations, is provided in the notice of the 20th Annual General Meeting of the Company.

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

During the year 2016-17, information of Directors appointed/resigned provided in corporate governance report and hence not repeated here for the sake of brevity.

17. Meeting of the Board

During the financial year 2016-17, the Board of Directors met 8 (Eight) times, the details of which are given in the Corporate Governance Report that forms the part of Annual Report. The notice along with Agenda of each Board Meeting was given in writing to each Director. The intervening gap between any two meetings was within the period prescribed by the Act and SEBI Listing Regulations.

18. Performance Evaluation Report

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

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

19. Familiarisation Programme for Independent Directors

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

20. Board Committees

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

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

21. Key Managerial Personnel

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

1. Mr. Rajesh Aggarwal - Managing Director
2. Mr. Sandeep Kumar – Company Secretary (appointed w.e.f. 18/04/2017)
3. Mr. Sandeep Aggarwal - Chief Financial Officer
4. Mr. Pankaj Gupta - Company Secretary (Ceased w.e.f. 29/03/2017)

Mr. Pankaj Kumar Gupta, resigned from the Company due to personal reasons w.e.f. March 29, 2017, the same has been accepted by the Management and placed before the Board in their Meeting.

Mr. Sandeep Kumar, Appointed as Company Secretary of the Company w.e.f. April 18, 2017. Mr. Sandeep Kumar was previously working with Listed Company based on Madhya Pradesh.

During the year 2016-17, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the board for its consideration.

22. Directors Responsibility Statement

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

- a) in the preparation of the annual accounts for the year ended March 31, 2016, 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 have prepared the annual accounts on a going concern basis.
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Contracts Or Arrangements With Related Parties

Your Company has formulated a policy on related party transactions which is also available on Company's website at the link <http://www.insecticidesindia.com/Policy/RELATED%20PARTY%20TRANSACTION%20FINAL.pdf>. This policy deals with the review and approval of related party transactions. 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. No material related party transactions were entered during the Financial Year by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

Members may refer to Note No. 35 to the financial statement which sets out related party disclosures pursuant to AS-18.

24. Details in respect of adequacy of Internal Financial Controls

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

25. Details of Significant & Material Orders

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

26. Material Changes and Commitments

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

27. Auditors

Statutory Auditors

As per Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s Mohit Parekh & Co., Chartered Accountants, (ICAI Regd. No.: 002067N), New Delhi as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on May 27, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of Joint Auditors M/s S S Kothari Mehta & Co., Chartered Accountants (ICAI Regd. No.: 000756N) and M/s Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N) as the Statutory Auditors of the Company by the Members at the 20th Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s S S Kothari Mehta & Co., Chartered Accountants (ICAI Regd. No.: 000756N) and M/s Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N), as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 20th Annual General Meeting till the conclusion of 25th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 20th Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Report given by M/s. Mohit Parekh & Co., Statutory Auditors on the financial statement of the Company for the year 2017 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

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.

M/s. Mohit Parekh & Co., over many years have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards, rigour and quality in their audit. The Board place on record its appreciation for the services rendered by Mohit Parekh & Co., as the Statutory Auditors of the Company.

Secretarial Auditor

The Secretarial Audit was carried out by M/s. Akash Gupta & Associates, Company Secretaries, (PCS Regis. No. 11038) for the financial Year 2016-17. The Report given by the Secretarial Auditors is annexed and forms integral part of this Report.

There has been one observation made by the Secretarial auditors, no qualification, reservation or other adverse remark or disclaimer in their Report.

Observation : Section 197(12) read with rule 5 (2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, the board's report shall include a statement showing the names and other details of the top ten employees in terms of remuneration drawn along with other particulars as prescribed thereunder and the name of every employee drawing remuneration beyond prescribed limit, however, the same has not been disclosed in the Board Report dated 23rd August, 2016 of the Company for the financial year 2015-16.

Management Response: The amendments in the mentioned rule 5 (2) was notified by the Central Government on 30th June, 2016 where the management of the Company was of the view that the said amendment would be applicable from financial year 2016-17, therefore, the list of top 10 employees was not reported in the Directors Report 2015-16. However, the management has provided the disclosure of Remuneration & Particulars of Employees and Related Disclosures as required under Section 197(12) read with rule 5(2) and 5(3) for FY 2016-17. Further, none of the Employee receives remuneration more than the Whole-time Directors, Remuneration of Whole-time Directors are within the prescribed limit for the FY 2016-17.

During the year under review, the Secretarial 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 2017-18. The Company has received their consent for appointment.

Cost Audit

In terms of the requirement of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s A.G.S. & Associates, Cost Accountants being eligible and having sought appointment, as Cost Auditors of the Company, to carry out the cost audit for the financial year 2017-18. 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 20th Annual General Meeting of your Company.

There is no cost audit qualification/adverse remarks, in the Cost Audit Report for the financial year ended 31st March, 2017. During the year under review, the Cost Auditor 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.

28. Corporate Governance

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

29. Business Responsibility Report

In compliance with Regulation 34 of SEBI Listing Regulations, the Business Responsibility Report detailing the various initiatives taken by the Company on environmental, social and governance front.

The Board of Directors has adopted a Business Responsibility Policy. The said Policy is available on Company's website at <http://www.insecticidesindia.com/>

30. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

In terms of requirement of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with the Companies (Account)s Rules, 2014, the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure - 5** to this report.

31. Extract of Annual Return

In accordance with Section 134 (3) (a) of the Act, an extract of Annual Return of the Company is annexed herewith as **Annexure - 6** to this Report.

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.

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

During the year under review, in terms of provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend declared by the Company for financial year 2008-09, aggregating to Rs.109272/- was transferred to Investors Education and Protection Fund.

35. Insurance

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

36. Nature of Business

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

37. Listing of Securities

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

38. Cautionary Statement

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

39. Appreciation

Your Company has been able to perform efficiently because of the culture of professionalism, creativity, integrity 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)
 Chairman
 DIN - 00577015

Place : Delhi
 Dated : May 27, 2017

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part “A”: Subsidiaries - Not Applicable

Part “B”: Associates and Joint Ventures

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

(₹ In Lacs)

Name of Associates/Joint Ventures	Isec Organics Limited (Associate Company)	OAT & IIL India Laboratories Private Limited (Joint Venture Company)
1. Latest audited Balance Sheet Date	31.03.2016*	31.03.2017
2. Date on which the associates or joint ventures were acquired	N.A	06.03.2013
3. Shares of Associate/Joint Ventures held by the company on the year end		
No.	-	795000
Amount of Investment in Associates/Joint Venture	-	795.00
Extend of Holding %	-	20
4. Description of how there is significant influence	Business of Real Estate	R & D
5. Reason why the associate/joint venture is not consolidated	N.A	
6. Networth attributable to Shareholding as per latest audited Balance Sheet	979.15	3921.72
7. Profit / Loss for the year		
i. Considered in Consolidation	-	20%
i. Not Considered in Consolidation	-	80%

*Note : The Financial Statement for the FY 2015-16 for Associate Company is under process of the Audit. Hence the figure are mentioned pursuant to Audited Financial Statement as on March 31, 2016

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The CSR policy is available on Company's website. The web link of the same is <http://www.insecticidesindia.com/Policy/CSR%20Policy%20FINAL.pdf>. A gist of the programs that the Company can undertake under the CSR policy is mentioned below.

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; preserving and promoting traditional art and culture, and promoting sports etc.

The Company continues to engage with stakeholders including communities, civil society, expert organisations and would take up such other CSR activities in line with Government's intent and which are important for society. The above areas are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013 in the Annexure.

- 2. The Composition of the CSR Committee:**

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

During the year, three meetings i.e. on April 30, 2016; May 30, 2016 and November 08, 2016 were held.

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

The Average net profit for the last three financial years is Rs. 5423.46 Lacs

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

The Company is required to spend Rs. 108.47 Lacs towards CSR for the Financial Year 2016-17

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

- Total amount spent for the financial year: Rs. 106.32 Lacs
- Amount unspent, if any: Rs. 2.15 Lacs
- Manner in which the amount spent during the financial year is detailed below:

(₹ In Lacs)

S. No.	CSR Projects / Activities	Sector in which the project is covered	Locations	Amount Outlay (Budget Project or Programs Wise)	Amount Spent on the project or programs sub heads : 1) Direct expenditure on project (2) overheads	Cumulative Expenditure upto reporting period	Amount spent	
							Direct	Through implementing agency
1	Kishan Jagrukta Abhiyan (Training programmes to Farmers)	Farmers Education, Up-liftment and Green Initiative	PAN India	67.93	65.78	65.78		65.78
2	Project Vidya (Child education in rural areas)	Education	PAN India	7.11	7.11	7.11	-	7.11
3	Navjyoti India Foundation (NGO)	Rural Development	Delhi	7.00	7.00	7.00	-	7.00
4	Rotary Club of Sonipat for Skill Development	Skill Development	Haryana	6.97	6.97	6.97	-	6.97

5	Subhaksiksha Educational Society	Education	Delhi	3.00	3.00	3.00	-	3.00
6	Aastha Rehabilitation Society (NGO)	Health	Delhi	0.10	0.10	0.10	-	0.10
7	Rai Bahadur Raghbir Singh Educational Society	Education	Delhi	10.00	10.00	10.00	-	10.00
8	Maharaja Agrasen Hospital Charitable Trust	Health	New Delhi	12.50	12.50	12.50	-	12.50
9	Jeevam Vrakshya (NGO)	Health	Delhi	0.13	0.13	0.13	-	0.13
	Total			108.47	106.32	106.32		

6. In case the Company has failed to spent the two percent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: some of the large programmes as mentioned in point 5(C) above the multi year projects which usually involve setting the foundation at such label to make a ground field preparation for enhanced sustainable model to ensue maximum benefit to the community. For this reason, during the year, the company's spend on the CSR activities has been less than the limits prescribed under companies Act, 2013. Moving forward the company will endeavor to spend on CSR activities in accordance with the prescribed limits under the companies Act, 2013 and rules made thereunder.
7. The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and objectives of the company.

Place : Delhi
Date : May 27, 2017

Rajesh Aggarwal
Managing Director

Hari Chand Aggarwal
Chairman of CSR Committee

RISK MANAGEMENT POLICY

I. PREAMBLE

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

II. PURPOSE

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

III. OBJECTIVE

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

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

IV. BACKGROUND AND IMPLEMENTATION

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

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

V. CATEGORIES OF RISKS

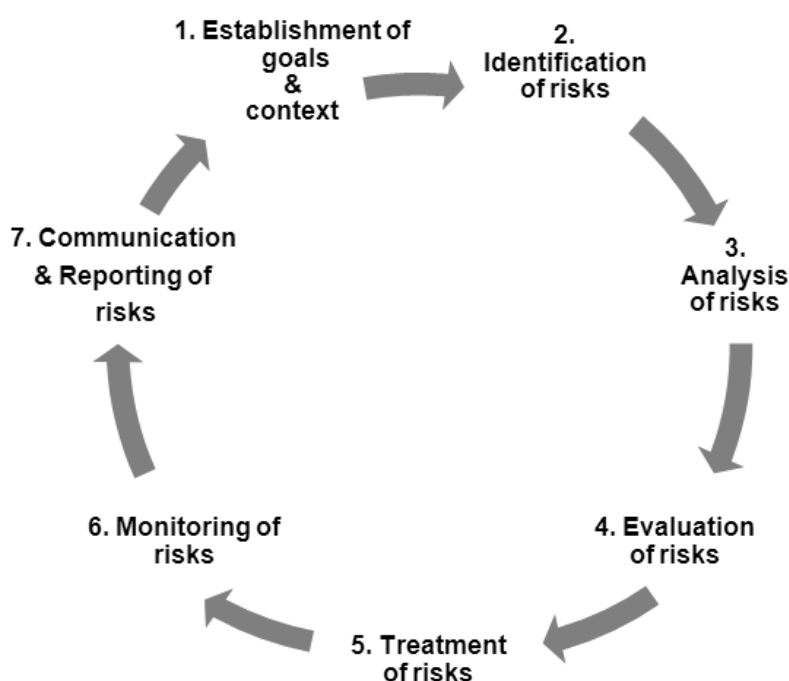
The Company faces constant pressure from the evolving marketplace that impacts important issues in risk management and threatens profit margins. The business is exposed to several kinds of risk from time to time which include the following:

1. **Strategic Risks:** These risks concern risks relating to the flux and movement of money and capital in the Company. This will include cash flow management, investment evaluation and credit default. These risks emanate out of the choices, the Company makes in the markets, resources and delivery of services.
2. **Industry and Competition Risks:** Risks relating to the agro chemicals industry, including competition in the industry, technological landscape, risks arising out of volatility manufacturing industry, and those relating to brands of the Company.
3. **Risk of Theft, Pilferage and Non Delivery:** Risks relating to theft or pilferage when the goods manufactured are failed to be delivered to the buyers. The risk of Non- delivery concerns a situation where the whole cargo is not delivered to the consignee.
4. **Risk of Clash and Breakage:** The risk of clash and breakage is mainly referred to the risks associated with the manufacturing output caused due to quiver, bump, squeezing, lacquer desquamation, nick and so on, in transit. Fragmentation is mainly referred to fragile substances and includes loss including breaching and smash in transit due to careless loading and unloading and bumping of conveyance, and may also occur during warehousing.

5. **Operational Risks:** Most common, and often combatable in all situations, these risks related to business operations such as those relating to determination, identification and procurement of vendors, services delivery to vendors, security and surveillance, and business activity disruptions.
6. **Currency Risk:** The Company deals in various foreign currencies and is exposed to fluctuations in the currency markets from time to time.
7. **Resource Risk:** The Company may at times, become susceptible to various risks associated with the procurement of talent, capital and infrastructure, as may be specific to the industry.
8. **Risks relating to regulatory and compliance framework:** Risks due to inadequate compliance to regulations, contractual obligations and intellectual property violations leading to litigations and related costs and effect on brand value and image.

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

VI. RISK MANAGEMENT PROCESS



1. ESTABLISHMENT OF GOALS & CONTEXT

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

2. IDENTIFICATION OF RISKS

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

Key questions that may assist identification of risks include:

- ✓ To achieve its goals, the Company shall determine when, where, why, and how are risks likely to occur?
- ✓ What are the risks associated with achieving each goal?
- ✓ What are the risks of not achieving these goals?
- ✓ Who are involved (for example, suppliers, contractors, stakeholders) in the creation, as well as combating of the same?

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

3. ANALYSIS OF RISKS

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

4. EVALUATION OF RISKS

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

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

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

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

5. TREATMENT OF RISKS

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

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

6. MONITORING OF RISKS

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

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

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

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

- What are the key risks?
- How are they being managed?

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

7. COMMUNICATION & REPORTING

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

VII. ROLE OF THE BOARD

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

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

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

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

VIII. RISK REGISTRATION, TREATMENT & REPORTING

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

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

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

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

IX. DISCLOSURE IN BOARD'S REPORT

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

X. REVIEW

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

Annexure - 4a

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 2016-17:

Table no. I

(₹ In Lacs)

Sl. No	Name of Director	Director's Remuneration	Employee Median Remuneration	Ratio
1	Mr. Hari Chand Aggarwal	113.80	2.32	49:1
2	Mr. Rajesh Aggarwal	101.20	2.32	43:1
3	Mrs. Nikunj Aggarwal	38.01	2.32	16:1

Table no. II

(₹ in Lacs)

Sl. No	Name of Director	Sitting Fee	Employee Median Remuneration	Ratio
1	Mr. Virjesh Kumar Gupta	02.75	2.32	1.18: 1
2	Mr. Navin Shah	01.75	2.32	0.75:1
3	Mr. Vinod Kumar Mittal	02.75	2.32	1.18:1
4	Mr. Jayaraman Swaminathan	04.00	2.32	1.72:1
5	Deepak Gupta	01.75	2.32	0.75:1

Notes:

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

Sl. No	Name of Director and KMP	Director/KMP	% increase in remuneration
1	Mr. Hari Chand Aggarwal	Chairman Cum Whole-time Director	50%
2	Mr. Rajesh Aggarwal	Managing Director	60%
3	Mrs. Nikunj Aggarwal	Whole-time Director	200%
4	Mr. Sandeep Aggarwal	Chief Financial Officer	Nil
5	Mr. Pankaj Gupta*	Company Secretary	Nil

*Pankaj Gupta ceased to be Company Secretary w.e.f March 27, 2017

- In the financial year 2016-17, there was an increase of 6.50% in the median remuneration of employees.
- Total number of employees of the Company as on March 31, 2017 was 1,028. The Company has maintained peaceful and harmonious relations with all its employees.
- The average increment of 7.15% during the year in the line with the market trend. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company; The aggregate remuneration of Executive Directors and KMPs was 0.24% of Turnover and 3.63% of Net Profit (before tax) during the financial year 2016-17.
- The market capitalization of the Company increased by 70.78% from Rs. 64421.50 Lacs as on March 31, 2016 to Rs. 109766.66 Lacs as on March 31, 2017. The Price earning ratio is increased by 14.57%.
- Average percentile increase already made in the salaries of employees in 2016-17 was 12-16% whereas the increase in managerial remuneration was 10%. This was based on the recommendations of Nomination & Remuneration Committee, based on industry benchmarks and the respective person's performance and contribution. The Company's remuneration philosophy is to ensure that it is competitive in the PD industry in which it operates, for attracting and retaining the best talent. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company -

Name of KMP	Remuneration (₹ in Lacs)	Ratio of remuneration to Profit before Tax
Mr. Rajesh Aggarwal	101.20	0.012:1
Mr. Sandeep Aggarwal	26.80	0.003:1
Mr. Pankaj Kumar Gupta#	10.99	0.001:1

#Mr. Pankaj Kumar Gupta ceased to be Company Secretary of the Company w.e.f. March 29, 2017. settlement amount, gratuity and other benefits has been not considered.

- The key parameters for the variable component of remuneration availed by the Directors are considered by the Board, based on the recommendation of the Nomination & Remuneration Committee, as per the Remuneration Policy of the Company for Directors, KMPs and other employees.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year NIL; and
- The company affirms that the remuneration is as per the Remuneration policy of the Company.
- Statement showing the names and other details of the top ten employees in terms of remuneration drawn along with other particulars. All these employees are in whole time employment of the Company.

(₹ In Lacs)

Name and Age	Designation/ Nature of Duty	Remu- neration p.a	Qualifica- tion	Experience	Date of Joining	Previous Em- ployment & Designation	% of share- holding in the Company	Relationship to any Director or Manager
Mr. Hari Chand Aggarwal	Chairman	108.00	High School	42 Years	01/11/2001	Own Business	4.47	Father of Mr. Rajesh Aggarwal, MD and Father-in-law of Mrs. Nikunj Aggarwal, WTD
Mr. Rajesh Aggarwal	Managing Director	96.00	B.Com	24 Years	01/11/2001	Own Business	25.61	Son of Mr. Hari Chand Aggarwal, Chairman and Husband of Mrs. Nikunj Aggarwal, WTD
Mrs. Nikunj Aggarwal	Whole-time Director	36.00	B.A	8 Years	02/05/2013	Own Business	5.44	Wife of Mr. Rajesh Aggarwal, MDI and Daughter-in-law of Mr. Hari Chand Aggarwal, Chairman
Mr. Sunil Kumar Wasan	General Manager	26.84	B-tech in Chemicals	28 Years	23/02/2016	M/s Solrex Pharmaceutical Ltd, Sr. General Manager	0.00	No Relationship with Directors
Mr. Sandeep Aggarwal	CFO	25.32	CA	6 years with IIL	01/08/2011	Own Business	0.00	No Relationship with Directors
Mr. Vinod Kumar Garg	General Manager	20.11	B.Com, LLB	34 Years	01/06/2002	-	0.00	No Relationship with Directors
Mr. Sanjay Singh	A.G.M	20.07	MSC	24 Years	12/06/2012	M/s Dhanuka Agritech Ltd, Sr. Product Manager	0.00	No Relationship with Directors
Mr. Srikant S Satwe	Sr. G.M & Head	18.51	MSC and PGDMS	29 Years	08/12/2014	M/s Hikal Ltd, Head Marketing	0.00	No Relationship with Directors
Dr. Mukesh Kumar Aggarwal	General Manager	18.50	P.hd and MSC	24 Years	21/12/2001	M/s Hindustan Pulverising Mills, Manager QC & Production	0.00	No Relationship with Directors
Mr. Abhai Shankar	General Manager	18.17	MSC	10 yrs with IIL	15/03/2007	-	0.00	No Relationship with Directors

“NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY”

Legal Framework

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

Definitions

For the purpose of this Policy:

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

OBJECTIVE & PURPOSE

The objective and purpose of this Policy are as follows:

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

SCOPE OF THE POLICY

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

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

CONSTITUTION

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

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

1. Appointment criteria and qualifications

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

1.7 The Committee shall making recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.

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

2. Term / Tenure

2.1 Managing Director/Whole-time Director:

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

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

2.2 Independent Director

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

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

3. Removal

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

4. Retirement

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

5. Diversity on the Board of the Company

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

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

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

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

- **Gender** - The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.
- **Age** - Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.
- **Nationality and ethnicity** - The Company shall promote having a boardroom comprising of people from different ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;
- **Physical disability** - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.
- **Educational qualification** - The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

6. Remuneration

- 6.1 In discharging its responsibilities, the Committee shall have regard to the following Policy objectives:
- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
 - To attract and retain competent executives;
 - To plan short and long-term incentives to retain talent;
 - To ensure that any severance benefits are justified.
- 6.2 The remuneration/ compensation/ commission etc. to the whole-time director, KMP and senior management & other employees will be determined by the Committee and recommended to the Board for approval.
- 6.3 The remuneration to be paid to the MD and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.
- 6.4 Increments to the existing remuneration/compensation structure of the Senior Management excluding the Board of Directors comprising of members of Management one level below the Executive Director, including the Functional Heads will be decided by the Chairman & Managing Director.
- 6.5 Remuneration to Whole-time/ Managing Director, KMP, senior management;

6.5.1 Fixed pay

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

6.5.2 Minimum Remuneration

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

6.6 Remuneration to Non- Executive / Independent Director:

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

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

MINUTES OF COMMITTEE MEETING

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

DISCLOSURE OF THIS POLICY

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

REVIEW

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

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

Name of Company: Insecticides (India) Limited

Declaration and Undertaking

I. Personal details of the Candidate/ Director

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

II. Relevant Relationships of Candidate/ Director

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

III. Records of professional achievements

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

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

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

Undertaking

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

Place:

Signature :

Date:

VI. Remarks of Nomination Committee

Place:

Signature :

Date:

INFORMATION AS REQUIRED UNDER SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 FORMING PART OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

1. Conservation of energy

- The steps taken or impact on conservation of energy;
During the period under review, the Company has installed the instruments viz. VFD and APFC for conservation of energy. The Company has also reduced the fixed load of electricity for the Dahej Plant.
- The steps taken by the company for utilizing alternate sources of energy;
During the year under review, the Company carried out initial surveys and looked into various alternate sources of energy. The Company needs more time and will make more efforts for finding suitable alternate sources of energy for the betterment of the Company.
- The capital investment on energy conservation equipments;
During the year under review, the Company has set up an above instrument at Dahej plant, where the Company has taken step for conservation energy.

2. Technology absorption

- the efforts made towards technology absorption;
Technology is ever changing and employees of the Company are made aware with the latest techniques and technologies through various workshops and discussions for optimum utilization of the available resources.
- the benefits derived like product improvement, cost reduction, product development or import substitution;
Product improvement and cost reduction is always the Company's priority while we choose new equipment. During the year, the Company has developed the process for Thiamethoxam Technical.
- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
Your Company has not imported any technology during last three years. However, the Company has spent on the research and development of various products as mentioned below:
The expenditure incurred on Research and Development:

(₹ in Lacs)

Particulars	Amount
Capital	42.38
Recurring	111.53
Total	153.91

3. Foreign exchange earnings and Outgo

- Activities relating to exports; 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	707.24
Foreign exchange used	27490.59

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC 2008 Code of the Product/ service	% to total turnover of the company
1.	Agro Chemicals	Group: 202 Class: 2021	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	OAT & IIL India Laboratories Private Limited	U73100DL2013FTC249117	Joint Venture	20%	Section 2(6)
2	ISEC Organics Limited	U24239DL2004PLC124339	Associate	NIL	Section 2(6)

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

S. No	Category of Shareholders	No. of Shares Held at the beginning of the Year				No. of Share held at the end of the Year				% Change during the Year
		DEMAT	Physical	Total	% of total Shares	DEMAT	Physical	Total	% of total Shares	
A.	Promoter									
(1)	Indian									
a)	Individual/HUF	13,954,500	-	13,954,500	67.52	13,954,500	-	13,954,500	67.52	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government	-	-	-	-	-	-	-	-	-
d)	Body Corporate	254,550	-	254,550	1.23	254,550	-	254,550	1.23	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (1) : -	14,209,050	-	14,209,050	68.75	14,209,050	-	14,209,050	68.75	-

S. No	Category of Shareholders	No. of Shares Held at the beginning of the Year				No. of Share held at the end of the Year				% Change during the Year
		DEMAT	Physical	Total	% of total Shares	DEMAT	Physical	Total	% of total Shares	
(2)	Foreign									
a)	NRIs Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Body corporates	-	-	-	-	-	-	-	-	-
d)	Bank/ FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (2): -	-	-	-	-	-	-	-	-	-
	Total ShareHolding of Promoter (A) = (A) (1)+(A)(2)	14,209,050	-	14,209,050	68.75	14,209,050	-	14,209,050	68.75	-
B.	Public Share Holding									
(1)	Institutions									
a)	Mutual Funds	1,603,401	-	1,603,401	7.76	1,540,133	-	1,540,133	7.45	(0.31)
b)	Banks/FI	986,569	-	986,569	4.77	979,569	-	979,569	4.74	(0.03)
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Portfolio Investors	1,050,960	-	1,050,960	5.09	861,093	-	861,093	4.17	(0.92)
i)	Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	3,640,930	-	3,640,930	17.62	3,380,795	-	3,380,795	16.36	(1.26)
(2)	Non Institutions									
a)	Bodies Corp.									
(i)	Indian	744,308	-	744,308	3.60	948,789	-	948,789	4.59	0.99
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1,725,823	353	1,726,176	8.35	1,629,899	352	1,630,251	7.89	(0.46)
(ii)	Individual Shareholders holding nominal share capital exceeds of Rs. 1 lakh	249,293	-	249,293	1.21	337,485	-	337,485	1.63	0.43
(c)	Others									
(i)	NBFC Registered with RBI	8,400	-	8,400	0.04	93,575	-	93,575	0.45	0.41
(ii)	Other (NRI)	89,542	-	89,542	0.43	64,715	-	64,715	0.31	(0.12)
(iii)	Other (Trust)	97	-	97	-	3,136	-	3,136	0.02	0.01
(iv)	Others - Foreign Nationals	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (2)	2,817,463	353	2,817,816	13.63	3,077,599	352	3,077,951	14.89	1.26
	Total Public Sharehold- ing (B)=(B)(1)+(B)(2)	6,458,393	353	6,458,746	31.25	6,458,394	352	6,458,746	31.25	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	20,667,443	353	20,667,796	100.00	20,667,444	352	20,667,796	100.00	-

ii. Shareholding of Promoters

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% Change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	H C Aggarwal HUF	1,494,000	7.23	-	1,494,000	7.23	-	-
2	Hari Chand Aggarwal	923,400	4.47	-	923,400	4.47	-	-
3	Rajesh Aggarwal	5,292,900	25.61	-	5,292,900	25.61	-	-
4	Pushpa Aggarwal	2,151,900	10.41	-	2,151,900	10.41	-	-
5	Rajesh Aggarwal HUF	1,953,000	9.45	-	1,953,000	9.45	-	-
6	Nikunj Aggarwal	1,125,000	5.44	-	1,125,000	5.44	-	-
7	Kritika Aggarwal	112,500	0.54	-	112,500	0.54	-	-
8	Sanskar Aggarwal	901,800	4.36	-	901,800	4.36	-	-
9	ISEC Organics Limited	254,550	1.23	-	254,550	1.23	-	-
	Total	14,209,050	68.75	-	14,209,050	68.75	-	-

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

Change in Promoters' Shareholding (please specify, if there is no change)					
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Share Capital of the Company	No. of Shares	% of total Share Capital of the Company
	at the beginning of the year	14,209,050	68.75	-	-
	Date wise increase / Decrease in promoters Share holding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / Sweat equity etc)	-	-	-	-
	At the end of the Year	-	-	14,209,050	68.75

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

Sl. No.	Name of the top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Life Insurance Corporation of India	972,482	4.71	972,482	4.71
2	Fidelity Northstar Fund	825,000	3.99	650,000	3.14
3	HDFC Trustee Company Limited A/c HDFC Balanced Fund	588,581	2.85	588,581	2.85
4	HDFC Small & Midcap Fund	248,187	1.20	248,187	1.20
5	Sundaram Mutual Fund A/c Sundaram Smile Fund	270,084	1.31	222,256	1.08
6	Zealous Financial Services Private Limited	123,123	0.60	154,000	0.75
7	BNP Paribas MID CAP Fund	-	-	130,115	0.63
8	Vinod Infotech Private Limited	74,220	0.36	116,555	0.56
9	Sundaram Mutual Fund A/c Sundaram Rural India Fund	64,000	0.31	81,991	0.40
10	Fiducian India Fund	78,735	0.38	78,735	0.38

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors and KMP	Director Identification No. (DIN)	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
	Directors						
1	Hari Chand Aggarwal	00577015	922,800	4.46	922,800	4.46	-
2	Rajesh Aggarwal	00576872	5,292,900	25.61	5,292,900	25.61	-
3	Nikunj Aggarwal	06569091	1,125,000	5.44	1,125,000	5.44	-
	Key Managerial Personnel (KMPs)						
1	Sandeep Kumar (CS)*		-	-	-	-	-
2	Pankaj Kumar Gupta (CS)#		-	-	-	-	-
3	Sandeep Aggarwal (CFO)		-	-	-	-	-

*Mr Sandeep Kumar appointed as Company Secretary of the Company w.e.f. April 18, 2017

#Mr. Pankaj Kumar Gupta ceased to be Company Secretary of the Company w.e.f. March 29, 2017

V. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20481.09	-	-	20481.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	78.35	-	-	78.35
Total (i+ii+iii)	20559.43	-	-	20559.43
Change in Indebtedness during the financial year				
• Addition	3070.35	-	-	3070.35
• Reduction	-	-	-	-
Net Change	3070.35	-	-	3070.35
Indebtedness at the end of the financial year				
i) Principal Amount	23608.80	-	-	23608.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20.98	-	-	20.98
Total (i+ii+iii)	23629.78	-	-	23629.78

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Hari Chand Aggarwal	Mr. Rajesh Aggarwal	Mrs. Nikunj Aggarwal	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	108.00	96.00	36.00	240.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.80	5.20	2.01	13.01
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify				
	Total (A)	113.80	101.20	38.01	253.01
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)				826.59

B. Remuneration/ Sitting fee to other directors:

(₹ in Lacs)

Sl. No	Particulars of Remuneration	Fee for attending Board / Committee Meetings	Commission	Other, please Specify	Total Amount
1	Independent Directors				
	Mr. Navin Shah	1.75	-	-	1.75
	Mr. Virjesh Kumar Gupta	2.75	-	-	2.75
	Mr. Vinod Kumar Mittal	2.75	-	-	2.75
	Mr. S. Jayaraman	4.00	-	-	4.00
	Mr. Deepak Gupta*	1.75	-	-	1.75
	Total (1)	13.00	-	-	13.00
2	Other Non-Executive Directors				
	Total (2)	-	-	-	-
	Total (B) = (1+2)	13.00	-	-	13.00
	Total Managerial Remuneration				
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)				82.65

*Mr. Deepak Gupta appointed as an Additional Director in the category of Independent Director w.e.f. April 30, 2016.

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Pankaj Kumar Gupta (Company Secretary)#	Sandeep Aggarwal CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	10.99 - -	26.80 - -	37.79 - -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	6.11	-	6.11
	Total (A)	17.10	26.80	43.90

#Mr. Pankaj Kumar Gupta ceased to be Company Secretary of the Company w.e.f. March 29, 2017. Hence settlement amount is shown in others.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Code of Governance

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

II. Board Of Directors

- i. As on March 31, 2017, the Company has Eight Directors. Out of Eight Directors, Five (i.e. 62.05%) are Independent Directors. The profiles of Directors can be found on (<http://www.insecticidesindia.com/board.html>). The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI 'Listing Regulations') read with Section 149 of the Companies Act, 2013 (the 'Act').
- ii. None of the Directors on the Board hold directorships in 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, 2017 have been made by the Directors. None of the Directors are related to each other except Mr. Hari Chand Aggarwal, Mr. Rajesh Aggarwal and Mrs. Nikunj Aggarwal.
- iii. 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.
- iv. Eight Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:
 April 30, 2016; May 30, 2016 (2 Meetings); August 09, 2016; August 23, 2016; September 21, 2016; November 08, 2016 and February 08, 2017.
 The necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM), Shareholding of Directors and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2017, are given herein below. For reckoning the limit of the Board Committees, chairpersonship and membership, Audit Committee and Stakeholders' Relationship Committee has only been considered under Regulation 26(1) (b) of SEBI Listing Regulations.

Name of the Director	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	
Mr. Hari Chand Aggarwal	Chairman cum Whole Time Director	7	Yes	1	-	-	923400
Mr. Rajesh Aggarwal	Managing Director	8	Yes	2	-	-	5292900
Mrs. Nikunj Aggarwal	Whole time Director	5	Yes	-	-	-	1125000
Mr. Navin Shah	Independent Director	7	Yes	1	-	-	-
Mr. Virjesh Kumar Gupta	Independent Director	8	Yes	-	-	-	-
Mr. Vinod Kumar Mittal	Independent Director	8	Yes	-	-	-	-
Mr. S. Jayaraman	Independent Director	8	Yes	-	-	-	-
Mr. Deepak Gupta*	Independent Director	7	Yes	1	-	-	-
Mr. Gopal Chandra Agarwal#	Independent Director	0	No	N.A.	N.A.	N.A.	N.A.
Mr. Navneet Goel#	Independent Director	0	No	N.A.	N.A.	N.A.	N.A.
Mr. Anil Kumar Singh^	Independent Director	0	N.A.	N.A.	N.A.	N.A.	N.A.

Note:

*Mr. Deepak Gupta appointed as an Additional Director in the category of Independent Director w.e.f. April 30, 2016.

#Mr. Gopal Chandra Agarwal and Mr. Navneet Goel has resigned and ceased to be Independent Director w.e.f. September 21, 2016.

^Mr. Anil Kumar Singh ceased to be Independent Director w.e.f. July 12, 2016.

- vi. During the year 2016-17, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- vii. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company (<http://www.insecticidesindia.com>).
- viii. During the year 2016-17, one meeting of the Independent Directors was held on November 08, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.
- ix. The Board periodically reviews the compliance reports of all laws applicable to the Company. The information of recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of KMP were placed before the Board during the year 2016-17.
- x. The details of the familiarization programme of the Independent Directors are available on the website of the Company (<http://www.insecticidesindia.com/FamiliarizationIDS.htm>).

III. Committee of the Board

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

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

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

1. Audit Committee

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

During the year under review, Seven (7) Audit Committee Meetings were held on April 30, 2016; May 30, 2016 (2 Meetings); August 09, 2016; August 23, 2016; November 08, 2016 and February 08, 2017. The maximum time-gap between any two consecutive meetings did not exceed 120 days.

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

Name of the Director	Category	Numbers of meetings attended
Mr. Vinod Kumar Mittal	Independent Director - Chairman	7
Mr. S. Jayaraman	Independent Director - Member	7
Mr. Vrijesh Kumar Gupta	Independent Director - Member	7

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

Terms of Reference

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

rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in offer document/ prospectus/ notice and report submitted by the monitoring agency monitoring the utilisation of proceed of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter;

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

2. Nomination and Remuneration Committee

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

During the year, 4 (Four) Nomination and Remuneration Committee Meetings were held on April 30, 2016; August 09, 2016; November 08, 2016 and February 08, 2017. The necessary quorum was present for all the meetings. The composition of the Nomination and Remuneration Committee and attendance of members at the meetings of the Nomination and Remuneration Committee held during the period are as follows:-

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

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

Terms of Reference

- a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Directors' performance.
- b) Formulation of the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- c) Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- d) Devising a policy on diversity of board of director.
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f) Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).
- g) Determine on behalf of the Board of Directors of the Company the quantum of annual increments/incentives on the basis of performance of the Key Managerial Personnel.
- h) Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.

- i) Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.
- j) Consider other matters, as from time to time be referred to it by the Board.

Performance evaluation criteria for Independent Directors

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

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

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

The Directors expressed their satisfaction to the above.

Details of the Remuneration for the year ended March 31, 2017:

a. Non-Executive Directors:

(₹ In Lacs)

Name	Sitting Fees
Mr. Navin Shah	1.75
Mr. Virjesh Kumar Gupta	2.75
Mr. Vinod Kumar Mittal	2.75
Mr. S. Jayaraman	4.00
Mr. Deepak Gupta*	1.75

*Mr. Deepak Gupta appointed as an Additional Director in the category of Independent Director w.e.f. April 30, 2016.

b. Chairman, Managing Director and Executive Director

(₹ In Lacs)

Name	Mr. Hari Chand Aggarwal	Mr. Rajesh Aggarwal	Mrs. Nikunj Aggarwal
Designation	Chairman cum Whole-time Director	Managing Director	Whole-time Director
Salary & Allowances (₹ in Lac)	108.00	96.00	36.00
Bonus/Performance Incentive (₹ in Lac)	-	-	-
Perquisites (₹ in Lac)	5.80	5.20	2.01
Stock options	-	-	-
Tenure	5 years	3 years	5 years
Notice Period & Severance Pay	One Month	One Month	One Month
Performance Criteria	As per Agreement	As per Agreement	As per Agreement

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

3. Stakeholders' Relationship Committee

The Stakeholders' Relationship 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, 6 (Six) Stakeholders Relationship Committee Meetings were held as on April 30, 2016; May 30, 2016; August 09, 2016; November 08, 2016; February 08, 2017 and March 31, 2017. 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	Number of Meetings attended
Mr. Virjesh Kumar Gupta	Independent Director - Chairman	6
Mr. Navin Shah	Independent Director - Member	4
Mr. Vinod Kumar Mittal	Independent Director - Member	6

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

Terms of Reference

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

Details of No. of Shareholders complaint received, No. of Complaints not solved to the satisfaction of shareholders and No. of pending complaints

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

Compliance officer:

Mr. 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, 3 (Three) meetings of the Corporate Social Responsibility Committee were held on April 30, 2016; May 30, 2016 and November 08, 2016. The necessary quorum was present for all the meetings. The composition of Corporate Social Responsibility Committee meeting and number of Corporate Social Responsibility Committee meetings attended by the Members during the year is given below:

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

The Company Secretary acted as the Secretary to the Committee.

Terms of Reference

The Terms of reference of Corporate Social Responsibility Committee include:

- 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.
- To recommend the amount of expenditure to be incurred on the activities related to CSR; and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

5. Finance Committee

During the year, 7 (Seven) Finance Committee Meetings were held as on April 30, 2016; May 30, 2016; July 29, 2016; August 09, 2016; September 15, 2016; December 19, 2016 and January 31, 2017.

The necessary quorum was present for all the meetings. The composition of the Finance Committee and number of Finance Committee meetings attended by the Members during the year are given below:

Name of the Director	Designation	Number of Meetings attended
Mr. Hari Chand Aggarwal	Executive Director - Chairman	6
Mr. Virjesh Kumar Gupta	Independent Director - Member	7
Mr. Vinod Kumar Mittal	Independent Director - Member	7

The Company Secretary acted as the secretary to the Committee.

Terms of Reference

- discuss and accept sanction letters or banks:
- give authority for creation, modification, satisfaction of charge on assets of the company, hypothecation on movable and immovable assets of the company:
- recommend, discuss and approve the opening and closing the various accounts with banks:
- discuss on appoint and deletion the authorised signatory(ies) from bank accounts:
- discuss and approve appointment of authorized person to sign & execute the documents and papers relating to banking and other financial matters: and
- discuss other banking and financial matters.

IV. CEO/CFO Certification

The Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2017.

V. General Body Meetings

a) Annual General Meetings

Financial Year	Date	Time	Venue
2013-2014	September 19, 2014	01:00 P.M.	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054
2014-2015	September 22, 2015	01:00 P.M.	
2015-2016	September 21, 2016	11:30 A.M.	

b) Special Resolution(s)

- Three Special Resolutions were passed by the shareholders at the 19th Annual General Meeting held on September 21, 2016 of the Company. 1). Approved the Increase of the remuneration of Mr. Hari Chand Aggarwal as Chairman cum Whole-time Director 2). Approved the increase of the remuneration of Mr. Rajesh Aggarwal as a Managing Director 3). Approved the Increase of the Remuneration of Mrs. Nikunj Aggarwal as a Whole-time Director.
- No Special Resolution were proposed in the 18th Annual General Meeting
- Four Special Resolutions were passed by the shareholders at the 17th Annual General Meeting held on September 19, 2014 of the Company 1). Authorise to borrow upto Rs, 800 Crore under Section 180(1)(c) of the Companies Act, 2013. 2). Authorise to create mortgage/charge over the properties of the Company of Section 180(1)(a) of the Companies Act, 2013. 3). Approved the Related Party Transaction under Section 188(1) of Companies Act, 2013. 4). Adopt the New Article of Association of the Company containing regulations in conformity with the Companies Act, 2013.

c) No Extra-Ordinary General Meeting held during Financial Year 2016-2017

d) Special Resolution passed through Postal Ballot

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

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

VI. Other Disclosures

a) Subsidiary Companies

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

b) Risk Management

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

c) Code of Conduct

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Independent have been sent to all the Directors and Senior Management Personnel. The Code of Conduct is available on the Company's website www.insecticidesindia.com and copy of the Code of Conduct can be inspected at the registered office of the Company during the business hours.

All the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as applicable to them during the year ended March 31, 2017. The Annual Report of the Company contains declaration duly signed by the Managing Director.

d) Relationship among the Directors

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

e) Compliance

The Company Secretary, while preparing the agenda, notes on agenda, minutes, etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the rules issued thereunder.

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

f) 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. 35 of the Notes to Accounts of the Company. Besides this, the Company has no material transaction with the related parties' viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

The Audit Committee has set out the criteria for granting approval to related party transactions which are repetitive in nature for the period of one year i.e 2016-17 under the category of Omnibus transaction pursuant to Regulation 23 of LODR, 2015. The transactions as approved by the Audit Committee were entered at Arm's Length Price and were in ordinary course of business of the Company. These transactions have been disclosed in the Notes to Accounts of the Company and policy is available at <http://www.insecticidesindia.com/Policy/RELATED%20PARTY520TRANSACTION%20FINAL.pdf>

ii. Disclosure of Accounting Treatment

There has not been any change in accounting policies of the Company during the year while preparing the annual financial statements for the year ended on March 31, 2017.

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

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

iv. Vigil Mechanism (Whistle Blower) Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. No personnel has been denied access to the Audit Committee. [http://www.insecticidesindia.com/Policy/VIGIL%20MECHANISM%20\(WHISTLE%20BLOWER\)%20POLICY52028.01.2015.pdf](http://www.insecticidesindia.com/Policy/VIGIL%20MECHANISM%20(WHISTLE%20BLOWER)%20POLICY52028.01.2015.pdf)

v. Adoption of Mandatory and Non- Mandatory Requirements of SEBI Listing Regulations

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

vi. Proceeds from Public Issue, Rights Issue, Preferential Issues, etc.

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

vii. Auditors' Certificate on Corporate Governance

The Company has obtained the certificate from its Statutory Auditors regarding compliance with the provisions relating to Corporate Governance laid down in SEBI Listing Regulations. This certificate is attached with the Boards' Report and will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company. The disclosures of the compliance with Corporate Governance Requirement specified in Regulation 17 to 27 and Clause (b) to (l) of sub-regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report.

VII. Means of Communication

The quarterly, half-yearly and annual results of the Company are published in leading newspaper in India which includes Business Standard (English) and Business Standard (Hindi). The Results are also displayed on Companies website “www.insecticidesindia.com”. Press Releases made by the Company from time to time are also displayed on the Company’s website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company’s website. The Company’s official news and other important investor related information are periodically displayed and updated on the company’s website. Also, the website of the Company contains a separate dedicated section ‘Investor Desk’ where shareholders’ information is available. The Company’s Annual Report is also available in a user-friendly and downloadable form. A Management Discussion and Analysis Report is a part of the Company’s Annual Report.

VIII. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Date	:	August 08, 2017
Time	:	04:30 p.m.
Venue	:	M. P. C. U. Shah Auditorium, Civil Lines, Delhi – 110 054

As required Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM held on Tuesday, August 08, 2017.

ii. Financial Calendar

Year ending	:	March 31
AGM in	:	August 08, 2017
Dividend Payment	:	The Final dividend, if declared, shall be paid with in period.

iii. Date of Book Closure/ Record Date

: 31/07/2017 to 08/08/2017 (Both days Inclusive)

iv. 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 year 2017-18, has been paid by the Company to BSE and NSE.

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

v. **Stock Code / Symbol** : NSE - INSECTICID; BSE - 532851

vi. **ISIN No.** : INE 070I01018

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

viii. 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, 2016 to 31st March, 2017 are given below:

Month	BSE			NSE		
	Month’s High Price (Rs.)	Month’s Low Price (Rs.)	Volume (in Nos.)	Month’s High Price (Rs.)	Month’s Low Price (Rs.)	Volume (in Nos.)
Apr-2016	456.90	312.90	191728.00	459.00	310.35	1266078
May-2016	477.00	406.50	94202.00	479.00	405.60	643151
Jun-2016	484.00	420.30	59233.00	484.00	419.50	488906
Jul-2016	499.80	466.00	49704.00	500.00	468.80	388657
Aug-2016	487.80	456.60	36089.00	488.70	460.00	254903
Sep-2016	541.00	455.50	94448.00	540.95	450.10	632899
Oct-2016	512.00	472.00	50740.00	511.60	466.05	262845
Nov-2016	543.95	437.45	83193.00	543.00	426.80	558871
Dec-2016	507.00	467.50	18892.00	505.00	466.60	162490
Jan-2017	587.60	478.25	55607.00	589.00	476.05	483463
Feb-2017	590.00	548.00	85913.00	588.00	541.35	685418
Mar-2017	582.00	518.55	973900.00	574.00	521.95	668768

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

ix. 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

x. Share Transfer System

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

xi. Shareholding as on March 31, 2017

a) Distribution of equity shareholding as on March 31, 2017:

Number of Shares	Holding	Percentage to Capital	Number of Accounts	Percentage to Total Accounts
1 to 100	248845	1.204	7683	70.942
101 to 500	557386	2.697	2349	21.69
501 to 1000	294826	1.426	398	3.675
1001 to 5000	639875	3.096	298	2.752
5001 to 10000	296780	1.436	43	0.397
10001 to 20000	241745	1.17	16	0.148
20001 to 30000	196375	0.95	8	0.074
30001 to 40000	309378	1.497	9	0.083
40001 to 50000	47548	0.23	1	0.009
50001 to 100000	543812	2.631	8	0.074
100001 to 500000	1238163	5.991	7	0.065
500001 to Above	16053063	77.672	10	0.092
Total	20667796	100.00	10830	100.00

b) Categories of equity shareholders as on March 31, 2017

Category	No. of shares held	% of Share-holding
Promoter and Promoter Group	14209050	68.75
Mutual Funds	1540133	7.45
Banks / Financial Institutions	979569	4.74
FII's	829793	4.01
Foreign Portfolio Investor (Corporate)	31300	0.15
NRI / Foreign Nationals	64715	0.31
Body Corporate	1042364	5.04
Trust	3136	0.02
Indian Public	1967736	9.52
Total	20667796	100.00

xii. Dematerialization of Shares and Liquidity

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

xiii. Reconciliation of Share Capital Audit

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

xiv. 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.

xv. Plant Locations

Presently, your Company having 6 (Six) manufacturing units / Plants located at the following places:

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

xvi. Address for Correspondence

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

The Company Secretary & Compliance Officer

Insecticides (India) Limited

401-402, Lusa Tower,

Azadpur Commercial Complex,

Delhi – 110 033

Tel No. (011) 2767 1990 – 04

Fax No. (011) 2767 1990 – 04

Email – investor@insecticidesindia.com

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

I, Rajesh Aggarwal, Managing Director of Insecticides (India) Limited hereby declares that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2017 compliance with the Code of Conduct of the Company laid down for them.

Place: Delhi

Date: May 27, 2017

(Rajesh Aggarwal)

Managing Director

DIN: 00576872

MD / CFO Certificate

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

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

1. We have reviewed Financial Statements and the Cash Flow Statement of Insecticides (India) Limited for the year ended March 31, 2017 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 in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) that there are no instance of significant fraud of which we have become aware.

Place: Delhi
Date: May 27, 2017

Rajesh Aggarwal
Managing Director

Sandeep Aggarwal
Chief Financial Officer

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Members of
Insecticides (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Insecticides (India) Limited** ("the Company"), for the year ended on March 31, 2017, as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and 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.

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 Listing Regulations.

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.

For Mohit Parekh & Co.
Firm Regn. No.002067N
Chartered Accountants

Place: Delhi
Date: May 27, 2017

Aditi Gupta
Partner
M. No. -523498

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2017

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

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

I have conducted the secretarial audit of financial year ending on March 31st 2017 for the compliance of applicable statutory provisions and the adherence to good corporate practices by Insecticides (India) Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31st 2017, 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 2017, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
 - a) Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000- No foreign direct investment has been received by the Company during the financial year 2016-17;
 - b) Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 : The Company has not invested any funds outside India in Joint Venture or subsidiary during the financial year 2016-17;
 - c) Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000: The Company has not received any external commercial borrowings from outside India during the financial year 2016-17;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;-The Company has not issue any capital during the financial year 2016-17, , hence the mentioned regulations does not applicable to the Company;
 - d) The Securities and Exchange Board of India (Share Based Employees Benefits Regulations 2014); - The Company has not come with any ESOP or ESPS or share based employee benefits during the financial year ended on March 31, 2017, hence the mentioned regulations does not applicable to the Company;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; as the Company has not issued or listed debt securities during the financial year ending March 31, 2017, thus the said regulations are not applicable to Company;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; as during the financial ended March 31, 2017 the Company has not delisted any equity share, thus the mentioned regulations does not applicable to the Company; and

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; as the Company has not bought back any securities during the financial year ended on March 31, 2017, hence the said regulations are not applicable to Company;

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

- a) The Insecticides Act, 1968 & the Insecticides Rules, 1971 read with the Insecticide (Amendment) Rules, 2015
- b) The Insecticides (Price, Stock, Display and Submission of Reports) Orders, 1968
- c) The Fertilizers (Control) Order 1985

The management of 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 2016-17.

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

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

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

- a) *Section 197(12) read with rule 5 (2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, the board's report shall include a statement showing the names and other details of the top ten employees in terms of remuneration drawn along with other particulars as prescribed thereunder and the name of every employee drawing remuneration beyond prescribed limit, however, the same has not been disclosed in the Board Report dated 23rd August, 2016 of the Company for the financial year 2015-16.*

I further report that:

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

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

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

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

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

I further report that: during the audit period, there were no specific event/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc having a major bearing on the Company's affairs.

M/s Akash Gupta & Associates

Practising Company Secretary

Membership No. 30099

Certificate of Practice No. 11038

Date: May 27, 2017

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 Commercial Complex, Delhi 110033

Our report for the financial year ending 31.03.2017 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.

Signature:

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

Date: May 27, 2017

Place: Delhi

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
INSECTICIDES (INDIA) LTD.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Insecticides (India) Limited** ("the company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the Company as at March 31, 2017; and its Profits and its Cash Flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company is subject to Legal proceedings and claims, which has arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition (Refer Note No-45).
 - ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund during the year by the company.
 - iv. The Company has provided requisite disclosures in the standalone financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note-54)

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

(ADITI GUPTA)
Partner
Membership No. 523498

Place : Delhi
Dated : May 27, 2017

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

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

1. In respect of its Fixed Assets:

- a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the Fixed Assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the standalone financial statements are held in the name of the company.

2. In respect of its Inventories:

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

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

6. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 148(1) of the Companies Act and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of Statutory Dues:

- a. According to the records of the Company apart from certain instances of delay in depositing the undisputed statutory dues, the company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable.
- b. According to the records of the Company, the disputed statutory dues aggregating to Rs.4,51,55,512/- that have not been deposited on account of disputed matter pending before Appropriate Authorities are as under:

S.No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where Dispute is Pending	Amount (Rs.)
1.	VAT Act	VAT	2011-12	Joint Commissioner of Commercial Tax, Baroda	5738441
2.	VAT Act	VAT	2012-13	Joint Commissioner of Commercial Tax, Baroda	15981600
3.	CST Act	CST	2012-13	Joint Commissioner of Commercial Tax, Baroda	5106740
4.	Revenue Department	Stamp duty	-	Commissioner of Revenue Department, Tehsil Vagra, District Bharuch	8960000
5.	VAT Act	Penalty	2010-11	Appellate Authority, VAT, West Bengal	570000
6.	VAT Act	Central sales tax	2012-13	Assistant Commissioner, VAT, Indore	152441
7.	VAT Act	VAT	June 2014 to July 2015	Commercial Tax Officer, Vijaywada	9766290

8. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans/borrowings to any financial institutions, banks or government. Further the company does not have any debentures issued/outstanding any time during the year.
9. Based on our audit procedures and according to the information and explanation given to us, the term loans availed by the company were prima facie applied for the purposes for which they were raised. No money was raised by way of initial public offer or further public offer (including debt instruments).
10. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
13. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in Note 35 of the Standalone Financial Statements as required by the applicable accounting standard.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.

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

(ADITI GUPTA)
Partner
Membership No. 523498

Place : Delhi
Dated : May 27, 2017

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **INSECTICIDES (INDIA) LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary

to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants Of India.

FOR MOHIT PAREKH & CO.

Chartered Accountants
Firm Reg. No. 0002067N

(ADITI GUPTA)

Partner
Membership No. 523498

Place : Delhi

Dated : May 27, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ In Lacs)

	PARTICULARS	NOTES	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
A	EQUITY AND LIABILITIES			
	Shareholder's Funds			
	(a) Share Capital	3	2,066.78	2,066.78
	(b) Reserves & Surplus	4	44,635.81	38,822.97
			46,702.59	40,889.75
	Non-current liabilities			
	(a) Long-term borrowings	5	1,528.50	2,804.97
	(b) Deferred tax liabilities (net)		2,025.47	1,755.20
	(c) Other long-term liabilities	6	572.04	549.67
	(d) Long-term provisions	7	134.29	138.02
			4,260.30	5,247.86
	Current liabilities			
	(a) Short-term borrowings	8	20,631.84	15,197.73
	(b) Trade payables	9	19,654.20	21,091.11
	(c) Other current liabilities	10	7,706.24	8,403.70
	(d) Short-term provisions	11	1,963.18	2,819.23
			49,955.46	47,511.77
	TOTAL		100,918.35	93,649.38
B	ASSETS			
	Non-current assets			
	(a) Fixed assets	12		
	(i) Tangible assets		18,166.60	19,134.93
	(ii) Intangible assets		322.10	259.61
	(iii) Capital work-in-progress		5,694.56	5,071.31
	(iv) Intangible assets under development		123.51	51.26
			24,306.77	24,517.11
	(b) Non-Current Investments	13	1,108.54	1,108.54
	(c) Long-term loans and advances	14	212.03	269.52
	(d) Other non-current assets	15	470.61	594.40
			26,097.95	26,489.57
	Current assets			
	(a) Inventories	16	42,577.67	35,060.38
	(b) Trade receivables	17	21,463.91	20,763.92
	(c) Cash and Bank Balances	18	922.03	948.20
	(d) Short-term loans and advances	19	563.34	455.55
	(e) Other current assets	20	9,293.45	9,931.76
			74,820.40	67,159.81
	TOTAL		100,918.35	93,649.38

Summary of Significant Accounting Policies Notes On Financial Statements

1 to 2
3 to 55

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

Auditor's Report

FOR AND ON BEHALF OF THE BOARD

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

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

RAJESH AGGARWAL
MANAGING DIRECTOR
DIN 00576872

(ADITI GUPTA)
Partner
M.No.- 523498
Firm Regn. No. - 002067N
Place : Delhi
Date : May 27, 2017

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

SANDEEP AGGARWAL
CHIEF FINANCE OFFICER

SANDEEP KUMAR
COMPANY SECRETARY

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ In Lacs)

PARTICULARS	NOTES	FOR THE YEAR ENDED 31ST MARCH, 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations (Gross)	21	118,944.32	104,790.72
Less: Excise Duty		8,205.90	5,976.19
Revenue from operations (net)		110,738.42	98,814.53
Other Income	22	55.00	55.61
Total Income (I)		110,793.42	98,870.14
EXPENSES			
Cost of raw material and components consumed	23	62,890.63	59,767.25
Purchase of Traded Goods	24	14,286.19	6,787.37
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	25	(2,950.76)	902.54
Employee Benefits Expense	26	4,334.47	4,006.86
Depreciation and Amortization Expense	27	1,595.67	1,592.54
Finance Costs	28	1,853.80	2,587.83
Other Expenses	29	20,783.52	18,237.40
Total Expenses (II)		102,793.52	93,881.79
Profit/(loss) before tax (I-II)		7,999.90	4,988.35
Tax Expenses			
Current Tax		1,664.60	701.07
Mat Credit Entitlement		251.20	160.45
Deferred Tax		270.28	198.28
Total Tax Expenses		2,186.08	1,059.80
Profit/(loss) for the year		5,813.82	3,928.55
Earnings per equity share			
(Nominal Value of Share ₹ 10/-)			
Basic		28.13	19.01
Diluted		28.13	20.01

Summary of Significant Accounting Policies Notes On Financial Statements

1 to 2
3 to 55

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

Auditor's Report

FOR AND ON BEHALF OF THE BOARD

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SANDEEP KUMAR
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ In Lacs)

PARTICULARS	For the year 2016-17	For the year 2015-16
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	7,999.90	4,988.35
Adjustment for		
- Depreciation	1,595.67	1,592.54
- (Profit)/ Loss on Sale of Assets	40.93	26.65
- Preliminary Expenses Written Off	6.34	6.34
- Interest Income	(21.62)	(25.00)
- Interest Expenses	1,606.58	2,053.07
Operating Profit Before Working Capital Changes	11,227.80	8,641.95
Adjustments for		
- (Increase)/Decrease in Trade Receivable	(699.98)	(4,083.11)
- (Increase)/Decrease in Inventories	(7,517.28)	4,079.99
- (Increase)/Decrease in Other Current Assets	(531.91)	(433.69)
- (Increase)/Decrease in Other Non Current Assets	(1.65)	-
- (Increase)/Decrease in Short Term Loans & Advances	(107.80)	562.02
- (Increase)/Decrease in Long Term Loans & Advances	57.49	(49.00)
- Increase/(Decrease) in Trade Payable	(1,436.91)	108.36
- Increase/(Decrease) in Long Term Liabilities	22.37	156.16
- Increase/(Decrease) in Other Current Liabilities	418.17	737.43
- Increase/(Decrease) in Provision for Expenses	4.89	111.33
	1,435.19	9,831.44
Less: Income Tax/ Wealth Tax	(1,703.93)	(1,343.63)
Less: Preliminary Expenses Incurred	-	(33.85)
Net Cash From Operating Activities (A)	(268.74)	8,453.96
(B) Cash Flow From Investing Activities		
- Addition to Fixed Assets	(1,476.32)	(1,958.51)
- Sale of Fixed Assets	50.05	57.75
- Interest Income	21.62	25.00
- (Addition) Disposal/Sales of Investments	-	-
Net Cash From Investing Activities (B)	(1,404.65)	(1,875.76)

PARTICULARS	For the year 2016-17	For the year 2015-16
(C) Cash Flow From Financing Activities		
- Proceeds from Issuing Share Capital with Premium	-	8,082.10
- Proceeds from borrowing/loans	3,253.80	(11,195.36)
- Interest paid	(1,606.58)	(2,053.07)
- Dividend Paid	-	(930.05)
- Distribution Tax Paid	-	(189.35)
Net Cash From Finance Activities (c)	1,647.22	(6,285.73)
Net Cash Flow during the year (A+B+C)	(26.17)	292.47
Cash and Cash equivalents Opening Balance	948.20	655.73
Cash and Cash equivalents Closing Balance	922.03	948.20

NOTES:-

- The Cash Flow Statement has been prepared under the "Indirect method" as set out in the accounting standard 3 "Cash Flow Statement" specified under the Companies (Accounts) Rules, 2014.
- Previous year's figures have been re-classified to confirm with current year's presentation, wherever considered necessary.

Auditor's Report

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

(ADITI GUPTA)
Partner
M.No.- 523498
Firm Regn. No. - 002067N
Place : Delhi
Date : May 27, 2017

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

RAJESH AGGARWAL
MANAGING DIRECTOR
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NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

SANDEEP AGGARWAL
CHIEF FINANCE OFFICER

SANDEEP KUMAR
COMPANY SECRETARY

Notes on Financial Statements for the Year Ended March 31, 2017

1. CORPORATE INFORMATION

Insecticides (India) Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange in India. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both domestic and international markets.

2. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

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

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

B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of Assets & Liabilities, disclosure of Contingent Liabilities on the date of Financial Statements and the reported amount of Expenses and Income during the reporting period. Difference between the estimates and actual results are recognized in the period in which the results are known /materialize.

C. TANGIBLE FIXED ASSETS (OWNED)

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

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

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

D. INTANGIBLE ASSETS

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

E. LEASED ASSETS

The Company do not have any leased assets.

F. DEPRECIATION, AMORTISATION & DEPLETION

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

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

Depreciation on assets acquired/disposed off during the year has been provided on pro-rata basis with reference to the date of use/addition/disposal.

Intangible Assets are amortized on Straight Line Method over their useful life.

G. INVESTMENTS

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

H. PURCHASES

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

I. REVENUE RECOGNITION

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

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

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

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

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

J. FOREIGN CURRENCY TRANSACTIONS

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currency at the year end are restated at the year end rate. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized as exchange rate difference and the premium paid on forward contracts is recognized over the life of the contract.

- b) Non monetary foreign currency items are carried at cost.
- c) Any Gain or Loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

K. RETIREMENT BENEFITS

- a) Contribution to provident fund and family pension fund are accounted for on accrual basis.
- b) The company provides for Leave Encashment Benefits. The expenses towards leave encashment are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.
- c) The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Company has Gratuity Fund covered by the scheme with LIC of India. The expenses towards gratuity are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.

L. IMPAIRMENT OF ASSETS

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

M. EXCISE DUTY

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

N. INVENTORIES

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

O. BORROWING COSTS

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

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

P. PROPOSED DIVIDEND

The Board has recommended a final dividend of ₹ 2/- per share for the financial year 2016-17. The proposal is subject to approval of shareholders at the ensuing Annual General Meeting (AGM).

Q. RESEARCH & DEVELOPMENT

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

R. PROVISION FOR CURRENT & DEFERRED TAX

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

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

S. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

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

- T.** Claims by or against the Company are accounted when acknowledged/ accepted/ settled/ received.
- U.** Interest on late payments by the customers & to the suppliers and differential interest to the bankers are accounted for on acceptance basis.
- V.** The bonus is accounted for on accrual basis.
- W.** The Company has already initiated the process and entitled for subsidy on account of certain revenue nature of expenditures incurred at Samba & Udhampur Units in earlier years. The company's policy is to account for subsidy on cash/acceptance basis as under:

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

X. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS

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

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

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

Y. MAT CREDIT ENTITLEMENTS

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

NOTES ON FINANCIAL STATEMENTS

3. SHARE CAPITAL

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Authorised Shares		
25000000 (Previous Year 25000000)	2,500.00	2,500.00
Equity Shares of Rs. 10/- Each		
Issued, Subscribed & fully Paid-up Shares		
20667796 (Previous Year 20667796)	2,066.78	2,066.78
Equity Shares of Rs. 10/- Each		
Total issued, subscribed and fully paid-up share capital	2,066.78	2,066.78

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

Equity shares	As at 31.03.2017		As at 31.03.2016	
	Number of shares	(₹ In Lacs)	Number of shares	(₹ In Lacs)
At the beginning of the period	20667796	2,066.78	12682966	1,268.30
Issued during the period				
- Bonus Shares	-	-	6341483	634.15
- Qualified Institutional Placement	-	-	1643347	164.33
Outstanding at the end of the period	20667796	2,066.78	20667796	2,066.78

3(b) Rights, preferences and restrictions attached to shares :

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding

The Company has proposed Rs 2.00 per share as Dividend .

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

Name of the Shareholder	As At 31.03.2017		As At 31.03.2016	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	5292900	25.61	5292900	25.61
Pushpa Aggarwal	2151900	10.41	2151900	10.41
Rajesh Aggarwal (HUF)	1953000	9.45	1953000	9.45
Hari Chand Aggarwal (HUF)	1494000	7.23	1494000	7.23
Nikunj Aggarwal	1125000	5.44	1125000	5.44

4. RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Security Premium Reserve	10,410.18	10,410.18
(b) General Reserve		
Opening balance	3,201.52	2,718.54
Add: Transferred from surplus in Statement of P&L	-	485.13
Less: Preliminary Expenses on Bonus Issue	-	(2.15)
Closing balance	3,201.52	3,201.52
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	25,211.27	22,323.89
Add: Profit / (Loss) for the year	5,813.82	3,928.55
Less: Appropriations	-	-
Difference in Proposed final equity dividend in FY 2014-15	-	(41.08)
Tax on Difference in proposed equity dividend in FY 2014-15	-	(8.36)
Interim Dividend Paid {(amount per share Rs.2)}	-	(413.36)
Tax on Interim Dividend Paid	-	(84.16)
Transfer to general reserve	-	(485.13)
Adjustment of Short Provision of Tax	(0.98)	(9.08)
Closing balance	31,024.11	25,211.27
Total Reserves and Surplus	44,635.81	38,822.97

5. LONG-TERM BORROWINGS

(₹ In Lacs)

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
	Non-current portion		Current maturities	
(a) Term loans				
Indian rupee loan from banks - Vehicle Loans (secured)	95.99	68.85	144.85	124.20
Indian rupee loan from banks - Term Loan (secured)	1,364.70	2,397.06	1,032.36	1,382.35
Foreign currency loan from banks (secured)	67.81	339.06	271.25	1,057.53
(b) Loans & Advances (Unsecured)				
From Related Parties	-	-	-	-
From Others	-	-	-	-
Total Amount	1,528.50	2,804.97	1,448.46	2,564.08

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

- Term Loans from banks for vehicles have been secured by hypothecation of vehicles. Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 9.30% to 10.50% per annum .
- The Foreign Currency outstanding loan amounting to NIL (Previous Year - 165.19 Lacs) was secured by the first charge over Plant and Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujarat). Further, the loan was guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.
- The Foreign Currency outstanding loan amounting to NIL (Previous Year - 621.09 Lacs) was secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further, the loan was guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

- (iv) The Foreign Currency outstanding loan amounting to 339.06 Lacs (Previous Year - 610.31 Lacs) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 5 quarterly installments. The interest is to be paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.
- (v) The Indian Rupees Term Loans outstanding amounts to 2397.06 Lacs (Previous Year - 3779.41 Lacs) have been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These outstanding loans are repayable quarterly in 2 & 12 installments alongwith interest @ 11.50% & @ 10.95% respectively.

6. OTHER LONG-TERM LIABILITIES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade / security deposits received from Customers	547.02	499.63
National Research Development Corporation (TDDP)	25.02	50.04
Total Amount	572.04	549.67

7. LONG TERM PROVISIONS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Provision for employee benefits:		
(i) Provision for gratuity	83.56	81.99
(ii) Provision for Leave Encashment	50.73	56.03
Total Amount	134.29	138.02

8. SHORT-TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Loans repayable on demand		
From banks (Secured)	11,600.00	9,750.00
(b) Cash credit from banks (Secured)	6,388.52	5,362.03
(c) Buyers Credit Loans (Secured)	2,467.60	-
(d) Cheques sent for Collection	175.72	85.70
Total Amount	20,631.84	15,197.73

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

9. TRADE PAYABLES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade payables (including acceptances)	19,654.20	21,091.11
Total Amount	19,654.20	21,091.11

10. OTHER CURRENT LIABILITIES
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Current maturities of long-term borrowings	1,448.46	2,564.08
Interest accrued but not due on borrowings	20.97	78.35
Unpaid dividend	3.81	4.11
Other payables		
(i) Statutory Dues	259.19	260.81
(ii) Advances from customers	4,896.20	4,816.46
(iii) Creditors for Capital Expenditure	46.41	51.88
(iv) Expenses Payable	214.21	80.44
(v) Employees Payable	609.53	547.57
(vi) Net Forward Contract Payable	207.46	-
Total Amount	7,706.24	8,403.70

11. SHORT-TERM PROVISIONS
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Provision for employee benefits		
(i) Provision for bonus	172.00	163.30
(ii) Provision for Leave Encashment	1.93	2.01
(b) Provision - Others:		
(i) Provision for Income Tax	1,700.00	2,651.01
(ii) Provision for Foreign Exchange Loss (M to M)	89.25	2.91
Total Amount	1,963.18	2,819.23

(₹ In Lacs)

12. FIXED ASSETS

Description Of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	opening Balance as on 01.04.2016	Addition	Internal Transfer	Sale/ Ad- justment	Total as on 31.03.2017	opening Balance as on 01.04.2016	Depreciation for the year		Total as on 31.03.2017	As on 31.03.2017	As on 31.03.2016
							Depreciation	Written Back			
(i) Tangible Assets											
	699.35	-	(614.81)	-	84.54	-	-	-	-	84.54	699.35
	1,367.86	43.98	614.81	-	2,026.65	-	-	-	-	2,026.65	1,367.86
	224.50	-	-	-	224.50	17.39	7.46	-	24.85	199.65	207.11
	6,253.78	85.19	-	-	6,338.97	747.88	194.55	-	942.43	5,396.54	5,505.90
	3,992.64	46.22	-	11.68	4,027.18	1,089.79	424.91	9.28	1,505.42	2,521.76	2,902.85
	406.19	0.82	-	-	407.01	151.13	43.91	-	195.04	211.97	255.06
	119.63	3.92	-	-	123.55	21.53	11.89	-	33.42	90.13	98.10
	408.55	35.24	-	-	443.79	133.28	42.99	-	176.27	267.52	275.27
	1,618.19	-	-	-	1,618.19	287.80	153.72	-	441.52	1,176.67	1,330.39
	6,618.12	126.24	-	7.83	6,736.53	1,426.31	437.02	5.22	1,858.11	4,878.42	5,191.81
	82.13	-	-	-	82.13	30.29	12.23	-	42.52	39.61	51.84
	68.96	9.12	-	11.42	66.66	27.72	6.10	6.66	27.16	39.50	41.24
	104.84	-	-	-	104.84	32.75	4.86	-	37.61	67.23	72.09
	75.75	2.90	-	0.70	77.95	11.42	5.10	0.25	16.27	61.68	64.33
	15.12	3.47	-	3.54	15.05	8.60	2.33	3.02	7.91	7.14	6.52
	214.44	18.42	-	-	232.86	56.22	21.11	-	77.33	155.53	158.22
	398.44	13.58	-	-	412.02	115.27	42.07	-	157.34	254.68	283.17
	113.60	35.48	-	22.52	126.56	76.01	14.08	21.39	68.70	57.86	37.59
158.69	10.47	-	5.06	164.10	116.81	21.21	4.72	133.30	30.80	41.88	
779.53	237.74	-	162.15	855.12	247.65	102.21	83.37	266.49	588.63	531.88	
17.89	-	-	-	17.89	5.42	2.38	-	7.80	10.09	12.47	
Sub Total (A)	23,738.20	672.79	-	224.90	24,186.09	4,603.27	1,550.13	133.91	6,019.49	18,166.60	19,134.93
(ii) Intangible Assets				-							
	280.04	21.50	-		301.54	162.28	20.90	-	183.18	118.36	117.76
	0.77	-	-		0.77	0.73	-	-	0.73	0.04	0.04
	229.22	86.53	-		315.75	87.41	24.64	-	112.05	203.70	141.81
	510.03	108.03	-	-	618.06	250.42	45.54	-	295.96	322.10	259.61
	24,248.23	780.82	-	224.90	24,804.15	4,853.69	1,595.67	133.91	6,315.45	18,488.70	19,394.54
										1.36	25.04
	24,248.23	780.82	-	224.90	24,804.15	4,853.69	1,595.67	133.91	6,315.45	18,490.06	19,419.58
	23,823.20	600.63	-	175.60	24,248.23	3,352.36	1,592.54	91.21	4,853.69	19,419.58	20,474.07
										5,816.71	5,097.53

CAPITALIZED BORROWING COSTS:-

No borrowing cost has been capitalised during the year. A sum of ₹ 476.22 Lacs (Previous Year ₹ 683.65 Lacs) has been transferred to Capital Work in Progress on account of borrowing cost during the year. The detail thereof is as under :

(₹ In Lacs)

Particulars	31.03.2017	31.03.2016
Balance Amount included under the captioned head CWIP at the opening of the year	1,936.69	1,253.04
Amount of interest trfd. From CWIP and Capitalised in respective Assets	-	-
Amount of interest transfer for Capitalisation under the Captioned Head - CWIP	476.22	683.65
Balance Amount included under the captioned head CWIP at the year end	2,412.91	1,936.69

13. NON CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(Long Term Investments)		
In Shares		
- Unquoted Fully paid-up-At Cost		
(In J.V.)		
(a) OAT & IIL India Lab.(P) Ltd.	795.00	795.00
(795000 Equity Shares @ Rs.100/- Each) (F.V-Rs.100/-)		
(P.Y - 795000 Equity Shares @ Rs.100/- Each)		
- Quoted Fully paid-up-At Cost (Listed at Tokyo Stock Exchange)		
(In Parent Co. of J.V.)		
(b) OAT Agrio Co.Ltd.	313.54	313.54
36400 Shares - at cost		
{{(P. Y. - 36400 Shares - at cost) } (18200 shares received during the year on split of total 18200 original shares)}		
(Market Value of 1 share - 1465 Yen as on 31st March, 2017)		
(P. Y. - Market Value of 1 share - 1441 Yen as on 31st March, 2016)		
Total Amount	1,108.54	1,108.54

14. LONG TERM LOANS AND ADVANCES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
	Non-current	
Capital advances		
Secured, considered good	-	-
Unsecured, considered good	54.94	97.06
Doubtful	-	-
	54.94	97.06
Security deposit		
Secured, considered good	-	-
Unsecured, considered good	157.09	172.46
Doubtful	-	-
	157.09	172.46
Advances recoverable in cash or kind		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Other loans and advances		
Advance income-tax	-	-
Prepaid expenses	-	-
Loans & Travel Advances to employees	-	-
	-	-
Total	212.03	269.52

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

Particulars	As at 31.03.2017	As at 31.03.2016
Unamortised expenses		
Unamortised (Gain)/Loss on Foreign Currency	-	125.44
Fixed deposits & NSC Purchased (having remaining maturity more than 12 months)	25.91	24.26
Balance with Government Authorities	444.70	444.70
Total Amount	470.61	594.40

16. INVENTORIES
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Raw materials (On Weighted Average Basis)	12,365.26	8,012.19
Goods-in-transit	858.87	519.41
(b) Finished goods (Manufactured)	20,156.69	18,891.32
(At Cost)		
Goods-in-transit	-	131.57
(c) Stock-in-trade (Traded Goods)	3,190.34	1,925.91
(On Weighted Average Basis)		
(d) Packing materials	1,345.26	1,375.85
(On Weighted Average Basis)		
Goods-in-transit	12.21	25.46
(e) Semi - Finished goods	4,546.82	4,125.86
(At Cost)		
(f) Stores, Spares Parts & Fuel	93.73	49.10
(On Weighted Average Basis)		
Goods-in-transit	8.49	3.71
Total Amount	42,577.67	35,060.38

17. TRADE RECEIVABLES
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured, considered good unless stated otherwise		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Secured, considered good	-	-
Unsecured, considered good	795.33	593.17
Doubtful	-	-
Total	795.33	593.17
Other Trade receivables	-	-
Secured, considered good	-	-
Unsecured, considered good	20,668.58	20,170.75
Doubtful	-	-
Total	20,668.58	20,170.75
Grand Total	21,463.91	20,763.92

18. CASH AND BANK BALANCES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Cash and Cash Equivalents		
(a) Cash on hand	7.48	27.71
(b) Balances with banks	-	-
(i) In current accounts	677.38	683.82
(ii) Fixed Deposits with Bank (original maturity of less than 3 months)	-	-
Other Bank Balances		
(i) In earmarked accounts	-	-
- Unpaid dividend accounts	3.81	4.11
(ii) Fixed Deposits with Bank (maturity of more than 3 months but less than 12 months) Including Interest Accrued of Rs.14,71,981/-	233.36	232.56
Total Amount	922.03	948.20

Note :- The Fixed deposits made with banks had been given as margin money against Bank Guarantee/ L.C.

19. SHORT TERM LOANS AND ADVANCES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
	Current	
Capital advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Security deposit		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Advances recoverable in cash or kind		
Secured, considered good	-	-
Unsecured, considered good	546.49	437.77
Doubtful	-	-
	546.49	437.77
Other loans and advances		
Loans & Travel Advances to employees	16.85	17.78
	16.85	17.78
Total	563.34	455.55

20. OTHER CURRENT ASSETS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Income-tax	1,934.79	2,847.46
Prepaid expenses	139.30	112.30
Balance with Government Authorities	5,691.12	5,151.04
MAT Credit Entitlement	1,018.34	1,269.55
Interest Subsidy Recoverable	379.89	368.32
Capital Subsidy Recoverable	-	21.20
Insurance Claim Recoverable	-	122.10
Litigation Charges Recoverable	19.60	-
Preliminary Exp. not written off or adjusted	19.02	25.37
Dividend Receivable	5.38	5.44
Deferred Premium on Forward Contract	82.25	-
Export Incentive Recoverable	3.76	8.98
Total Amount	9,293.45	9,931.76

21. REVENUE FROM OPERATIONS

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Sale of products		
Finished goods	103,605.97	95,145.95
Traded goods	15,338.35	9,576.52
Revenue from Job Work	-	68.25
Revenue from operations (Gross)	118,944.32	104,790.72
Less: Excise duty	8,205.90	5,976.19
Revenue from operations (Net)	110,738.42	98,814.53

DETAILS OF PRODUCTS SOLD

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Finished goods sold		
Liquid	58,439.49	48,631.74
Powder	12,034.43	15,545.45
Granules	19,191.51	17,969.37
Technicals	13,940.54	12,999.39
Total	103,605.97	95,145.95
Traded goods sold		
Liquid	7,819.68	7,055.58
Powder	1,337.36	390.61
Granules	936.54	1,063.99
Technicals & Others	5,244.77	1,066.34
Total	15,338.35	9,576.52
Grand Total	118,944.32	104,722.47

22. OTHER INCOME

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Interest income on		
Fixed deposits with Bank	16.98	18.85
[Tax Deducted At Source Rs 1,68,570/- (P.Y. - Rs.1,87,007/-)]		
Others	4.64	6.15
Total	21.62	25.00
Sale of Scrap	1.35	6.98
Other non-operating income	32.03	23.63
Total Other Income	55.00	55.61

23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Raw Material		
Inventory at the beginning of the year	8,531.60	11,676.32
Add: Purchases	60,351.48	50,017.36
	68,883.08	61,693.68
Less: inventory at the end of the year	13,224.13	8,531.60
Cost of raw material consumed	55,658.95	53,162.08
Packing Material		
Inventory at the beginning of the year	1,401.31	1,537.87
Add: Purchases	7,187.84	6,468.61
	8,589.15	8,006.48
Less: inventory at the end of the year	1,357.47	1,401.31
Cost of Packing material consumed	7,231.68	6,605.17
Total Cost of raw material and components consumed	62,890.63	59,767.25

24. DETAILS OF PURCHASE OF TRADED GOODS
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Liquid	6,921.79	4,948.54
Powder	1,584.36	287.72
Granules	589.26	516.58
Cost of Other Goods	5,190.78	1,034.53
Total	14,286.19	6,787.37

25. (INCREASE)/DECREASE IN INVENTORIES
(₹ In Lacs)

	Particulars	For the year ended On 31.03.2017	For the year ended On 31.03.2016
A.	(Increase)/ Decrease in Traded Goods		
	Closing Stocks	3,190.34	1,925.91
	Less: Opening Stocks	1,925.91	1,619.67
	(Increase)/Decrease in Closing Stock	(1,264.43)	(306.24)
B.	(Increase)/Decrease in Finished Goods		
	Closing Stocks	20,156.69	18,891.32
	Less: Opening Stocks	18,891.32	21,377.77
	(Increase)/Decrease in Closing Stock	(1,265.37)	2,486.45
C.	(Increase)/Decrease in Semi Finished Goods		
	Closing Stocks	4,546.82	4,125.86
	Less: Opening Stocks	4,125.86	2,848.19
	(Increase)/Decrease in Closing Stock	(420.96)	(1,277.67)
	TOTAL (A+B+C)	(2,950.76)	902.54

DETAILS OF INVENTORY

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Traded goods		
Powder	489.93	115.57
Liquid	2,516.81	1,735.68
Granules	183.60	74.66
Total	3,190.34	1,925.91
Finished goods		
Liquid	11,716.12	8,364.58
Powder	2,802.72	3,286.94
Granules	2,943.30	2,595.09
Technicals	2,694.55	4,644.71
Total	20,156.69	18,891.32

26. EMPLOYEE BENEFIT EXPENSE

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Salaries wages and bonus	3,916.09	3,602.10
Contribution to provident and other funds	182.47	173.23
Gratuity expense	76.57	85.56
Staff welfare expenses	159.34	145.97
Total	4,334.47	4,006.86

27. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Depreciation of tangible assets	1,550.13	1,539.19
Amortization of intangible assets	45.54	53.35
Total	1,595.67	1,592.54

28. FINANCE COSTS

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Interest		
Interest on CC Limits & Buyer's Credit & Demand Loan	1,547.31	2,004.04
Interest (Others)	34.54	26.87
Interest on Term Loans	24.73	21.14
Interest on Unsecured Loans	-	1.02
Bank Charges	416.69	366.30
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	(169.47)	168.46
Total	1,853.80	2,587.83

29. OTHER EXPENSES

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Manufacturing Expenses :		
Consumption of stores and spares	410.77	220.64
Job Work Charges	0.44	24.57
Power and fuel Expenses	1,329.34	1,149.45
Freight Inward	228.80	156.26
Conveyance Expenses	82.91	82.06
Repairs and Maintenance (Others)	99.03	70.75
Repairs and Maintenance (Machinery)	85.02	176.02
Repairs and Maintenance (Buildings)	15.83	12.69
Pollution Control Expenses	75.76	55.81
Entry Tax /Toll Tax	107.76	57.13
Laboratory Expenses	20.05	37.87
	2,455.71	2,043.25
Selling & Distribution Expenses :		
Discounts & Rebates Allowed	9,579.18	8,207.28
Freight Outward	2,577.43	2,286.55
Business Promotion Expenses	1,986.10	1,755.32
Performance Incentive	237.81	256.09
Lekage/Demonstration/Testing / Tender Fees	32.46	27.96
Advertisement & Publicity Expenses	277.61	265.68
Royalty	240.35	233.48
Commission	610.47	565.17
Export Sale Expense	78.69	39.75
Travelling and conveyance	911.81	835.85
	16,531.91	14,473.13
Administrative & General Expenses :		
Rent (Including Lease Rental)	333.39	251.37
Insurance	80.01	95.83
Telephone Expenses	32.23	32.36
Printing and Stationery	26.08	28.37
Legal and Professional Fees	301.33	350.39
Director Sitting Fees	14.93	13.29
Payment to Auditors (Refer Note No. 37)	25.30	25.19
Professional Tax	0.13	0.13
Electricity & Water Charges	42.28	36.10
Rates and taxes	10.10	16.86
Repairs and Maintenance (Others)	3.00	7.01
Conveyance Expenses	5.91	5.38
Postage & Telgramme Expenses	11.98	10.71
Filing Fees	0.47	0.87
Licence Fees	2.34	0.84
Office & Factory Maintenance Expenses	49.71	31.83
Membership & Subscription	8.69	12.12
Vehicle Running & Maintenance Expenses	34.54	32.48
Security Charges	85.18	81.90
Donation	17.50	9.95
TDS (Interest Paid)	0.02	0.03
Scooter Running & Maintenance Expenses	1.99	2.08
Fine & Penalties	5.96	14.31

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Computer Running & Maintenance Expenses	87.45	77.61
Generator Repair & Maintenance Expenses	2.87	2.83
Books & Periodicals	0.43	0.25
Additional Sales Tax	1.76	3.69
ISO Expenses	1.71	2.84
Research & Development Expenses	353.68	365.13
Preliminary Expenses Written off	6.34	6.34
Petty balance Written off	2.22	7.40
Loss on Sale of Fixed Assets (net)	40.93	26.65
Miscellaneous Expenses	103.01	67.35
Bad debts written off	-	2.42
Prior Period Items (net)	8.73	6.13
Corporate Social Responsibility Expenses	93.70	92.98
	1,795.90	1,721.02
Total	20,783.52	18,237.40

PAYMENT TO AUDITORS

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Audit Fees	13.80	13.74
Tax Audit Fees	4.60	4.58
In Other Capacity (Taxation & Other Matters)	6.90	6.87
Total	25.30	25.19

30. BONUS ISSUE

The company has allotted 63,41,483 number of Equity shares as Bonus shares on 25.04.2015 in the ratio of 2:1 during the preceding year and the same got listed on 08.05.2015.

31. EARNING PER SHARE (EPS)

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

Particular	2016-17	2015-16
Profit after Taxation	₹ 58,13,81,638	₹ 3928,54,934
Weighted Average Number of Equity Shares		
Basic	206,67,796	206,67,796
Diluted	206,67,796	196,32,338
Earning Per Share		
Basic	₹ 28.13	₹ 19.01
Diluted	₹ 28.13	₹ 20.01
Face Value Per Share	₹ 10	₹ 10

32. EMPLOYEE BENEFITS

A. RETIREMENT BENEFITS

- Retirement benefits in the form of Provident Fund / Family Pension Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Statement of Profit & Loss of the year.
- Retirement benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.

- (c) Retirement benefits in the form of Gratuity, which is define benefit plan, is determined and accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.
- (d) The actuarial Gains / Losses arising during the year are recognized in the Statement of Profit & Loss of the year.

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

GRATUITY LIABILITY

(Amounts in ₹)

Particulars		For The Year Ended on March31,2017	For The Year Ended on March31,2016
I.	Assumptions :		
	Discount Rate	7.52%	8.07%
	Rate of Return on Plan Assets	7.52%	8.07%
	Salary Escalation	5.00%	5.00%
	Attrition Rate	2.00% Age Related	2.00% Age Related
II.	Change in the Present Value of Defined Benefit Obligation :		
	Liability at the beginning of the year	40304406	31965089
	Interest Cost	3252566	2544421
	Current Service Cost	4858657	4230659
	Benefit Paid	(4527855)	(2683488)
	Actuarial (gain)/loss on obligations	2005374	4247725
	Liability at the end of the year	45893148	40304406
III.	Change in the Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	32105750	29822619
	Expected Return on Plan Assets	2590934	2373880
	Contributions by Employer	7500000	2500000
	Benefit Paid	(4527855)	(2683488)
	Actuarial gain/(loss) on Plan Assets	(131298)	92739
	Fair Value of Plan Assets at the end of the year	37537531	32105750
	Total Actuarial Gain/(Loss) To be Recognized	2136672	4154986
IV.	Actual Return on Plan Assets		
	Expected Return on Plan Assets	2590934	2373880
	Actuarial gain/(loss) on Plan Assets	(131298)	92739
	Actual Return on Plan Assets	2459636	2466619
V.	Amount Recognized in the Balance Sheet		
	Liability at the end of the year	(45893148)	(40304406)
	Fair Value of Plan Assets at the end of the year	37537531	32105750
	Difference	(8355617)	(8198656)
	Unrecognized Past Service Cost	-	-
	Amount Recognized in the Balance Sheet	(8355617)	(8198656)
	VI. Expenses Recognized in the Statement of Profit & Loss		
	Current Service Cost	4858657	4230659
	Interest Cost	661632	170541
	Expected Return on Plan Asset		
	Actuarial (Gain) or Loss	2136672	4154986
	Expenses Recognized in the Statement of Profit & Loss	7656961	8556186
VII.	Balance Sheet Reconciliation		
	Opening Net (Liability)/Asset	(8198656)	(2142470)
	Expense Recognized in the statement of Profit & Loss	(7656961)	(8556186)
	Employers Contribution	7500000	2500000
	Net (Liability)/Asset Recognized in Balance Sheet	(8355617)	(8198656)
VIII.	Category of Assets		
	Insurer Managed Funds	37537531	32105750

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

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

34. SEGMENT REPORTING

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

A. PRIMARY SEGMENT

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

- The nature of the products.
- The related risks and returns.
- The internal financial reporting system.

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

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

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

PRIMARY SEGMENT INFORMATION:

(₹ In Lacs)

Description	Formulations		Technical's		Un- Allocated		Eliminations		Total	
	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16
Segment Revenue (Sales/Income) :										
a) External Sales	96780	85744	13958	13071	-	-	-	-	110738	98815
b) Inter Segmental Sales	-	-	13533	12767	-	-	13533	12767	-	-
Sales	96780	85744	27491	25838	-	-	13533	12767	110738	98815
Segment Result :										
Operating Profit before Interest and Taxes	-	-	-	-	9578.52	7009.99	-	-	9578.52	7009.99
Less : Interest Expenses	-	-	-	-	1606.58	2053.07	-	-	1606.58	2053.07
Add : Profit on Sale of Investment	-	-	-	-	-	-	-	-	-	-
Add : Dividend Income	-	-	-	-	6.35	6.43	-	-	6.35	6.43
Add : Interest income	-	-	-	-	21.61	25.00	-	-	21.61	25.00
Profit Before Tax	-	-	-	-	7999.90	4988.35	-	-	7999.90	4988.35
Current Tax(Net Of MAT Credit)	-	-	-	-	1915.81	1260.45	-	-	1915.81	1260.45
Deferred Tax	-	-	-	-	270.28	198.28	-	-	270.28	198.28
Wealth Tax	-	-	-	-	-	0.06	-	-	-	0.06
Provision for Taxes of Earlier year	-	-	-	-	-	(398.99)	-	-	-	(398.99)
Profit After Tax	-	-	-	-	5813.82	3928.55	-	-	5813.82	3928.55
Other Information :										
Segment Assets	-	-	-	-	100918.36	93649.38	-	-	100918.36	93649.38
Segment Liabilities	-	-	-	-	54215.77	47508.86	-	-	54215.77	47508.86
Capital Expenditure	910.51	1273.43	237.84	262.66	327.97	422.43	-	-	1476.32	1958.51
Depreciation	588.08	580.90	856.12	861.70	151.47	149.94	-	-	1595.67	1592.54
Non-Cash Expenditure	-	-	-	-	8.57	13.74	-	-	8.57	13.74

B. SECONDARY SEGMENT

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

35. RELATED PARTY DISCLOSURES

In compliance to AS 18 specified under the companies (Accounts) rules, 2014, the Disclosure of transactions with Related Parties as defined in Accounting Standard are given herein below:

i.) RELATED PARTIES

A. Key Management Personnel & their Relatives :

- | | |
|---|---------------------------------|
| 1. Sh. Hari Chand Aggarwal | 10. Sh. Vinod Kumar Mittal |
| 2. Sh. Rajesh Aggarwal | 11. Sh. Sandeep Aggarwal |
| 3. Smt.. Nikunj Aggarwal | 12. Sh. Sanjeev Aggarwal |
| 4. Sh. Navneet Goel (Resigned) | 13. Smt. Sonia Aggarwal |
| 5. Sh. Virjesh Kumar Gupta | 14. Smt. Anju Aggarwal |
| 6. Sh. Gopal Chandra Agarwal (Resigned) | 15. Sh. Pankaj Gupta (Resigned) |
| 7. Sh. Navin Shah | 16. Smt Pushpa Aggarwal |
| 8. Sh. Anil Kumar Singh (Resigned) | 17. Sh. Deepak Gupta |
| 9. Sh. Jayaraman Swaminathan | |

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

- | | |
|---|-----------------------|
| 1. Paras Agro Industries | Firm |
| 2. ISEC Organics Ltd. | Company |
| 3. Evergreen Mineral Industries | Firm |
| 4. Valve & Pneumatics | Firm |
| 5. Vinod Metals Industries | Firm |
| 6. OAT & IIL India Laboratories Private Limited | Joint Venture Company |
| 7. Crystal Crop Protection Pvt. Ltd. | Company |
| 8. HPM Chemicals & Fertilizers Ltd. | Company |
| 9. Crop Care Federation of India | NPO |

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

ii) Transactions during the year with related parties:-

(₹ In Lacs)

Sl No.	Name of Related Parties	Relationship	Nature of Payment	2016-17	2015-16
1	Sh. Hari Chand Aggarwal	Chairman	Director's Renumeration & Perquisites	113.80	82.29
2	Sh. Rajesh Aggarwal	Managing Director	Director's Renumeration & Perquisites	101.20	69.70
3	Smt. Nikunj Aggarwal	Whole-time Director	Director's Renumeration & Perquisites	38.01	17.12
4	Sh. Vrijesh Kumar Gupta	Independent Director	Sitting Fees	2.75	2.70
5	Sh. Navneet Goel	Independent Director	Sitting Fees	-	2.10
6	Sh. Gopal Chandra Agarwal	Independent Director	Sitting Fees	-	1.95
7	Sh. Navin Shah	Independent Director	Sitting Fees	1.75	1.50
8	Sh. Anil Kumar Singh	Independent Director	Sitting Fees	-	1.80
9	Sh. Jayaraman Swaminathan	Independent Director	Sitting Fees	4.00	1.00
10	Sh. Deepak Gupta	Independent Director	Sitting Fees	1.75	-
11	Sh. Mr Vinod Kumar Mittal	Independent Director	Sitting Fees	2.75	0.65
12	ISEC Organics Ltd	Company	Rent	57.95	41.47
13	Paras Agro Industries	Firm	Purchases	50.72	39.19
14	Evergreen Mineral Industries	Firm	Purchases	101.52	120.09
15	Vinod Metal Industries	Firm	Purchases of RM Purchase of Capital Goods	67.56 0.68	37.60

SI No.	Name of Related Parties	Relationship	Nature of Payment	2016-17	2015-16
16	Valves & Pneumatics	Firm	Purchases	1.69	2.40
17	Crystal Crop Protection Pvt Ltd	Company	Purchases	5518.76	996.40
18	HPM Chemical & Fertilizers Limited	Company	Purchases	87.26	374.81
19	OAT & IIL India Laboratories	Joint Venture	R & D Expenses	262.35	244.45
			Rental Income	1.58	2.13
			Deputation fee Income	3.69	-
20	Smt. Sonia Aggarwal	KMP Relative	Consultancy	8.56	8.55
21	Sh. Sanjeev Aggarwal	KMP Relative	Salary & other benefits	16.42	15.16
22	Smt. Anju Aggarwal	KMP Relative	Salary & other benefits	10.21	9.72
23	Sh. Sandeep Aggarwal	KMP (CFO)	Salary & other benefits	26.80	25.05
24	Sh. Pankaj Gupta	KMP(Company Secretary)	Salary & other benefits	17.10	10.99
25	Crop Care Federation of India	NPO	Membership & Subscription	5.00	9.42
			Sales Conference	-	01.10
			Advertisement	2.12	-
26.	Smt. Pushpa Aggarwal	KMP Relative	Rent paid	1.44	-

iii) Balance outstanding with related parties:-
(₹ In Lacs)

SI No.	Name of Related Parties	Relationship	Nature of Outstanding	2016-17	2015-16
1	Sh. Hari Chand Aggarwal	Chairman	Director's Remuneration	5.89	6.25
2	Sh. Rajesh Aggarwal	Managing Director	Director's Remuneration	5.65	5.57
3	Smt. Nikunj Aggarwal	Whole-time Director	Director's Remuneration	2.20	2.20
4	ISEC Organics Ltd	Company	Rent	-	-
5	Paras Agro Industries	Firm	Purchases	12.46	4.49
6	Evergreen Mineral Industries	Firm	Purchases	2.31	1.86
7	Vinod Metal Industries	Firm	Purchases	28.05	24.71
8	Valves & Pneumatics	Firm	Purchases	-	0.07
9	Crystal Crop Protection Pvt Ltd	Company	Purchases	-	134.69
10	HPM Chemical & Fertilizers Limited	Company	Purchases	56.22	-
11	OAT & IIL India Laboratories	Joint Venture Co.	R & D Expenses	5.43 Dr	1.94 Dr
12	Smt. Sonia Aggarwal	KMP Related	Consultancy	0.65	0.65
13	Sh. Sanjeev Aggarwal	KMP Related	Salary & other benefits	1.20	1.10
14	Smt. Anju Aggarwal	KMP Related	Salary & other benefits	0.81	0.82
15	Sh. Sandeep Aggarwal	CFO	Salary & other benefits	1.47	1.64
16	Sh. Pankaj Gupta	Company Secretary	Salary & other benefits	6.93	0.87
17	Crop Care Federation of India	NPO	Membership	0.90	2.42

36. DEFERRED TAX LIABILITIES

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

(Amounts in ₹)

Particular	As At 31.03.2017	As At 31.03.2016
Deferred Tax Assets	NIL	NIL
Deferred Tax Liabilities (Related to Depreciation)	202547135	175519376
Deferred Tax Liabilities		
At The End of The Year	202547135	175519376
For The Year	27027759	19827650

37. PAYMENT TO AUDITORS : (Net Of Service Tax)
(Amounts in ₹)

Particular	2016-17	2015-16
(a) Auditors		
Statutory Audit Fees	1200000	1200000
Tax Audit Fees	400000	400000
In Other Capacity		
Taxation & Other Matters	600000	600000
(b) Cost Audit Fee	300000	300000
TOTAL	2500000	2500000

38. Remittance in Foreign Currency on account of Dividend: Nil
39. RESEARCH & DEVELOPMENT EXPENDITURE
A. According to the records of the company, the total expenditure incurred on R & D
(₹ In Lacs)

Particulars	2016-17	2015-16
Capital	42.38	0.37
Recurring	111.53	149.07
OAT & IIL	230.42	-
Total	384.33	149.44

40. COST OF IMPORTED MATERIALS CONSUMED
A. RAW MATERIAL CONSUMED

PARTICULARS	2016-17		2015-16	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Imported	1556509420	27.97	1592928779	29.96
Indigenous	4009385638	72.03	3723279641	70.04
TOTAL	5565895058	100.00	5316208420	100.00

B. PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	2016-17		2015-16	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Imported	-	-	-	-
Indigenous	764245502	100	682580869	100
TOTAL	764245502	100	682580869	100

C. RAW MATERIAL, PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	2016-17		2015-16	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Imported	1556509420	24.59	1592928779	26.55
Indigenous	4773631140	75.41	4405860510	73.45
TOTAL	6330140560	100.00	5998789289	100.00

41. VALUE OF IMPORTS (ON CIF BASIS)
(Amounts in ₹)

PARTICULARS	2016-17	2015-16
Raw Materials	1854003435	1469515234
Machinery	2137839	1400125
Total	1856141274	1470915359

42. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The company's policy covers current as well as proposed CSR activities to be undertaken by the company and examining their alignment with Schedule VII of the Act.

The company proposes to implement its CSR activities in various sectors which include promoting Education, green initiatives, and facilities for senior citizens, vocational & entrepreneurship skills, medical aid & healthcare, old age homes & women hostels, art and culture, destitute care and rehabilitation, rural development projects and others.

43. EXPENDITURE IN FOREIGN CURRENCY

(Amounts in ₹)

PARTICULARS	2016-17	2015-16
Tour & Travelling Expenses	1029957	2933644
Royalty	23334502	22750003
Interest	11298690	18650387
R & D Expenses	147840	-
Sales Promotion Expenses	47460	-
Export Sales Expenses	194911	-
TOTAL	36053360	44334034

44. INCOME IN FOREIGN CURRENCY (FOB)

(Amounts in ₹)

PARTICULARS	2016-17	2015-16
Export Sales	66020357	68127638
Dividend Income	635107	642893

45. CONTINGENT LIABILITIES

(Amounts in ₹)

S.No.	PARTICULARS	As At 31.03.2017	As At 31.03.2016
(a)	Letter of Credits (FLC & ILC)	1223623454	710686747
(b)	Bank Guarantee	27793204	26593204
(c)	Import Bills Accepted with Banks	64462176	101341319
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered – Sept'2004 to August'2007)	-	18610607
(e)	Sales Tax Matters	37315512	54205268
(f)	Bank charges against CC Limit (charged by bank without giving CC Limit facility- Bank has agreed to reverse the same in June'2016)	-	2286510
(g)	Revenue Department	8960000	-

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

With respect to contingent liabilities reported at (e) above, the management has taken an opinion from the legal advisors / professionals engaged by them and is very much hopeful that the appeals will be decided in the favor of the company and as such, no provision thereof has been made.

46. Estimated amount of Contract remaining to be executed on capital accounts (net of advances) & not provided for ₹ NIL (Previous year ₹ NIL).
47. In the opinion of the Board of Directors of the Company, the current assets, loans and advances have the value at least equal to the figures stated in the Balance Sheet on realization in the ordinary course of business and provision for all determinable/known liabilities have been made in the Accounts when reliable estimates can be made of the amount of obligation.
48. The Balances shown under the head sundry debtors and Sundry Creditors are subject to confirmation and reconciliations. However, the Company has initiated the process of obtaining confirmations from sundry debtors & creditors.
49. The Company has valued inventories as required under AS-2 specified under the companies (Accounts) rules, 2014.
50. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2017 is ₹ 723.63 Lacs (Previous Year- ₹ 933.80 Lacs).

51. The Company has not received any confirmation from suppliers regarding their status of registration under the Micro, Small & Medium Enterprises Development Act, 2006 which came into effect from October 2, 2006 and hence disclosure required under the said act have not been given.
52. The Previous Year Figures have been reworked , regrouped , rearranged, reclassified and / or re-casted wherever deemed necessary to make them comparable with those of the current year's figures.
53. All the common expenses incurred during the year in respect of Formulation (Products) units at Chopanki, Samba, Udhampur and Dahej have been allocated at the year end in the proportion to sales (net) effected during the year. The Technical (Products) Units at Chopanki & Dahej are separate as well as independent units having no common activities if compared with above mentioned Formulation Units and as such, the expenses incurred by branches/ other units have not been allocated to the Technical unit except common expenses incurred by the Head office which are allocated in proportion to Sales (net) effected by all the units.
54. Disclosure of Specified Bank notes* (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as Provided in Table below:-

	SBNs	Other Denomination Notes	Total
Closing Cash In Hand as On 08.11.2016	47,03,500.00	11,19,674.60	58,23,174.60
(+) Permitted receipts	-	46,46,733.00	46,46,733.00
(-) Permitted payments	177,610.00	36,33,070.00	38,10,680.00
(-) Amount deposited in Banks	45,25,890.00	23,890.00	45,49,780.00
Closing cash in hand as on 30.12.2016	-	21,09,447.60	21,09,447.60

*SBN mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs no. S.O.3407(E), dated November 8, 2016.

DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

- a) The nominal amount of derivative contracts entered into by the company and outstanding as on March 31, 2017 amounts to ₹ 8792.79 lacs (Previous Year – ₹ 6500.10 Lacs). The Category wise break-up is given below:-

(₹ In Lacs)

S. No.	PARTICULARS	As At 31.03.2017	As At 31.03.2016
1	Interest Rate Swaps	6.66	15.09
2	Currency Swaps	339.06	775.50
3	Forex Contract against Import Bills Accepted	349.69	962.40
4	FLC hedged	5722.93	4747.11
5	Buyer credit Hedge	2374.44	-

- b) Foreign currency exposure that are not hedged by derivatives instruments as on March 31, 2017 amounts to ₹ 6175.13 lacs (Previous Year ₹ 1847.64 Lacs)
- c) Mark to Market Losses provided by the company during the year amounts to ₹ 89.25 lacs (Previous Year ₹ 2.91 Lacs)

As per our separate report of even date annexed herewith

Auditor's Report

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

(ADITI GUPTA)
Partner
M.No.- 523498
Firm Regn. No. - 002067N
Place : Delhi
Date : May 27, 2017

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

SANDEEP KUMAR
COMPANY SECRETARY

RAJESH AGGARWAL
MANAGING DIRECTOR
DIN 00576872

SANDEEP AGGARWAL
CHIEF FINANCE OFFICER

Independent Auditor's Report on Consolidated Financial Statements

To,
The Members of
INSECTICIDES (INDIA) LTD.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Insecticides (India) Limited** ("the company") and its joint venture – **Oat & ILL India Laboratories Private Limited** (collectively referred to as 'the group'), comprising the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the consolidated financial statements

The Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2017, and their **consolidated profit** and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of Joint Venture, whose financial statements reflect total assets of Rs. 4,166.58 lacs as at March 31, 2017, the total revenue of Rs. 1,235.11 lacs and net increase in cash flows amounting to Rs. 385.30 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose report(s) has (have) been furnished to us, and our opinion is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its joint venture incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director of that company in terms of sub-section 2 of Section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; which is based on the Auditors' Reports of the Company and its joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its joint venture incorporated in India.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company is subject to Legal proceedings and claims, which has arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition (Refer Note No-45).
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company incorporated in India.
 - iv. The Company has provided requisite disclosures in the consolidated financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note-54)

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

(ADITI GUPTA)
 Partner
 Membership No. 523498

Place : Delhi
 Dated : May 27, 2017

ANNEXURE A TO THE AUDITOR'S REPORT

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

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Insecticides (India) Limited** ('the Company') and its joint venture - **Oat & IIL India Laboratories Private Limited** which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting

criteria established by the Group considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal controls over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to joint venture, incorporated in India, is based on the corresponding reports of the auditors of such joint venture incorporated in India.

FOR MOHIT PAREKH & CO.

Chartered Accountants
Firm Reg. No. 0002067N

(ADITI GUPTA)

Partner
Membership No. 523498

Place : Delhi
Dated : May 27, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ In Lacs)

	PARTICULARS	NOTES	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
A	EQUITY AND LIABILITIES			
	Shareholder's Funds			
	(a) Share Capital	3	2,066.78	2,066.78
	(b) Reserves & Surplus	4	44,625.15	38,787.84
			46,691.93	40,854.62
	Non-current liabilities			
	(a) Long-term borrowings	5	1,528.50	2,804.97
	(b) Deferred tax liabilities (net)		2,018.27	1,741.19
	(c) Other long-term liabilities	6	572.04	549.67
	(d) Long-term provisions	7	143.83	144.27
			4,262.64	5,240.10
	Current liabilities			
	(a) Short-term borrowings	8	20,631.84	15,259.42
	(b) Trade payables	9	19,679.67	21,111.44
	(c) Other current liabilities	10	7,714.71	8,355.60
	(d) Short-term provisions	11	1,963.24	2,819.63
			49,989.46	47,546.09
	TOTAL		100,944.05	93,640.81
B	ASSETS			
	Non-current assets			
	(a) Fixed assets	12		
	(i) Tangible assets		18,578.89	19,584.47
	(ii) Intangible assets		323.10	261.16
	(iii) Capital work-in-progress		5,694.57	5,071.31
	(iv) Intangible assets under development		123.51	51.26
			24,720.07	24,968.20
	(b) Non-Current Investments	13	313.54	313.54
	(c) Long-term loans and advances	14	213.72	272.40
	(d) Other non-current assets	15	470.61	594.40
			25,717.94	26,148.54
	Current assets			
	(a) Inventories	16	42,577.67	35,060.38
	(b) Trade receivables	17	21,463.91	20,773.21
	(c) Cash and Bank Balances	18	1,250.18	1,211.41
	(d) Short-term loans and advances	19	577.82	466.93
	(e) Other current assets	20	9,356.53	9,980.33
			75,226.11	67,492.26
	TOTAL		100,944.05	93,640.81

Summary of Significant Accounting Policies

1 to 2

Notes On Financial Statements

3 to 55

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

Auditor's Report

FOR AND ON BEHALF OF THE BOARD

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

HARI CHAND AGGARWAL
 CHAIRMAN
 DIN 00577015

RAJESH AGGARWAL
 MANAGING DIRECTOR
 DIN 00576872

(ADITI GUPTA)
 Partner
 M.No.- 523498
 Firm Regn. No. - 002067N
 Place : Delhi
 Date : May 27, 2017

NIKUNJ AGGARWAL
 WHOLE TIME DIRECTOR
 DIN 06569091

SANDEEP AGGARWAL
 CHIEF FINANCE OFFICER

SANDEEP KUMAR
 COMPANY SECRETARY

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2017
(₹ In Lacs)

PARTICULARS	NOTES	FOR THE YEAR ENDED 31ST MARCH, 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations (Gross)	21	118,944.32	104,800.01
Less: Excise Duty		8,205.90	5,976.20
Revenue from operations (net)		110,738.42	98,823.81
Other Income	22	73.90	74.92
Total Income (I)		110,812.32	98,898.74
EXPENSES			
Cost of raw material and components consumed	23	62,890.63	59,767.25
Purchase of Traded Goods	24	14,286.19	6,787.37
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	25	(2,950.75)	902.54
Employee Benefits Expense	26	4,413.11	4,075.25
Depreciation and Amortization Expense	27	1,644.80	1,645.79
Finance Costs	28	1,858.56	2,594.33
Other Expenses	29	20,627.17	18,092.31
Total Expenses (II)		102,769.71	93,864.84
Profit/(loss) before tax (I-II)		8,042.61	5,033.90
Tax Expenses			
Current Tax		1,673.31	709.79
Mat Credit Entitlement		253.92	152.45
Deferred Tax		277.09	213.32
Total Tax Expenses		2,204.32	1,075.56
Profit/(loss) for the year		5,838.29	3,958.34
Earnings per equity share (nominal value of share ₹ 10)			
Basic		28.25	19.15
Diluted		28.25	20.01

Summary of Significant Accounting Policies
Notes On Financial Statements

1 to 2
3 to 55

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

Auditor's Report

FOR AND ON BEHALF OF THE BOARD

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

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

RAJESH AGGARWAL
MANAGING DIRECTOR
DIN 00576872

(ADITI GUPTA)
Partner
M.No.- 523498
Firm Regn. No. - 002067N

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

SANDEEP AGGARWAL
CHIEF FINANCE OFFICER

Place : Delhi
Date : May 27, 2017

SANDEEP KUMAR
COMPANY SECRETARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ In Lacs)

PARTICULARS	For the year 2016-17	For the year 2015-16
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	8,043	5,034
Adjustment for		
- Depreciation	1,645	1,646
- (Profit)/ Loss on Sale of Assets	41	31
- Preliminary Expenses Written Off	6	6
- Interest Income	(41)	(40)
- Interest Expenses	1,608	2,053
Operating Profit Before Working Capital Changes	11,302	8,731
Adjustments for		
- (Increase)/Decrease in Trade Receivable	(691)	(4,092)
- (Increase)/Decrease in Inventories	(7,517)	4,080
- (Increase)/Decrease in Other Current Assets	(532)	(339)
- (Increase)/Decrease in Other Non Current Assets	124	-
- (Increase)/Decrease in Short Term Loans & Advances	(111)	562
- (Increase)/Decrease in Long Term Loans & Advances	59	(48)
- Increase/(Decrease) in Trade Payable	(1,432)	113
- Increase/(Decrease) in Long Term Liabilities	22	156
- Increase/(Decrease) in Other Current Liabilities	491	724
- Increase/(Decrease) in Provision for Expenses	94	101
	1,809	9,987
Less: Income Tax/ Wealth Tax	(1,730)	(1,366)
Less: Preliminary Expenses Incurred	-	(34)
Net Cash From Operating Activities (A)	80	8,588
(B) Cash Flow From Investing Activities		
- Addition to Fixed Assets	(1,488)	(1,968)
- Sale of Fixed Assets	50	58
- Interest Income	41	40
- (Addition) Disposal/Sales of Investments	-	-
Net Cash From Investing Activities (B)	(1,397)	(1,870)

PARTICULARS	For the year 2016-17	For the year 2015-16
(C) Cash Flow From Financing Activities		
- Proceeds from Issuing Share Capital with Premium	-	8,082
- Proceeds from borrowing/loans	2,964	(11,277)
- Interest paid	(1,608)	(2,053)
- Dividend Paid	-	(930)
- Distribution Tax Paid	-	(189)
Net Cash From Finance Activities (c)	1,356	(6,367)
Net Cash Flow during the year (A+B+C)	39	350
Cash and Cash equivalents Opening Balance	1,211	861
Cash and Cash equivalents Closing Balance	1,250	1,211

NOTES:-

- The Cash Flow Statement has been prepared under the “Indirect method” as set out in the accounting standard 3 “ Cash Flow Statement” specified under the Companies (Accounts) rules,2014.
- Previous year’s figures have been re-classified to confirm with current year’s presentation, wherever considered necessary.

Auditor’s Report

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

(ADITI GUPTA)
Partner
M.No.- 523498
Firm Regn. No. - 002067N
Place : Delhi
Date : May 27, 2017

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
DIN 00577015

RAJESH AGGARWAL
MANAGING DIRECTOR
DIN 00576872

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
DIN 06569091

SANDEEP AGGARWAL
CHIEF FINANCE OFFICER

SANDEEP KUMAR
COMPANY SECRETARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. CORPORATE INFORMATION

Insecticides (India) Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listings on the BSE Limited and National Stock Exchange in India. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both domestic and international markets.

OAT & IIL India Laboratories Private Limited was incorporated on March 06, 2013, as Joint Venture of OAT Agrio Co., Ltd. (Formerly known as Otsuka AgriTechno Co., Ltd.), Japan and Insecticides India Limited, to undertake scientific and technical research experiments, product development, bio-equivalency studies and developing New Chemical Entities (NCEs).

Insecticides (India) Limited together with its joint venture, is herein after referred to as "the Group".

2. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

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

The Financial statements are prepared on accrual basis under the historical cost convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles except for change in accounting policy for depreciation as described in Note G-Joint Venture.

B. PRINCIPLES OF CONSOLIDATION

The financial statements of joint venture used in the consolidation are drawn upto the same reporting date as of the company.

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its joint venture have been combined on a line-by-line basis by adding together the 20% proportionate book values of like items of assets, liabilities, income & expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21-'Consolidated Financial Statements' notified by Companies (Accounting Standards) Rules, 2006.
- ii) No accounting treatment has been given to the difference between the cost of investment in the joint venture and the Company's share of net assets at the time of acquisition of shares in the joint venture, since the shares of joint venture was acquired at cost/face value.
- iii) The company owns 20% shares in Joint venture and as such, remaining 80% share has not been recognized.
- iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions & other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

C. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of Assets & Liabilities, disclosure of Contingent Liabilities on the date of Financial Statements and the reported amount of Expenses and Income during the reporting period. Difference between the estimates and actual results are recognized in the period in which the results are known /materialize.

D. TANGIBLE FIXED ASSETS (OWNED)

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

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

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

E. INTANGIBLE ASSETS

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

F. LEASED ASSETS

The Company do not have any leased assets.

G. DEPRECIATION, AMORTISATION & DEPLETION

In case of Company :

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

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

Depreciation on assets acquired/disposed off during the year has been provided on pro-rata basis with reference to the date of use/addition/disposal.

Intangible Assets are amortized on Straight Line Method over their useful life.

In case of Joint Venture:

Tangible

Depreciation on tangible fixed assets except building has been provided on the Written Down Value (WDV) Method as per the useful life prescribed in schedule II to the Companies Act, 2013.

Building has been depreciated on the straight-line method as per the useful life prescribed in schedule II to the Companies Act, 2013

Leasehold land are amortised over the lease period.

Intangible

Intangible assets are amortised over a period of 5 years on straight line method.

H. INVESTMENTS

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

I. PURCHASES

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

J. REVENUE RECOGNITION

In case of Company

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

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

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

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

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

In case of Joint Venture:

Revenue from Research & Development services are recognized when services are rendered and related costs are incurred.

Interest income is accounted on accrual basis.

K. FOREIGN CURRENCY TRANSACTIONS

- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- Monetary items denominated in foreign currency at the year end are restated at the year end rate. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date

of contract is recognized as exchange rate difference and the premium paid on forward contracts is recognized over the life of the contract.

- c) Non monetary foreign currency items are carried at cost.
- d) Any Gain or Loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

L. RETIREMENT BENEFITS

- a) Contribution to provident fund and family pension fund are accounted for on accrual basis.
- b) The Group provides for Leave Encashment Benefits. The expenses towards leave encashment are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.
- c) The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Company has Gratuity Fund covered by the scheme with LIC of India. The expenses towards gratuity are recognized in the Statement of Profit & Loss on the basis of an actuarial valuation based on projected unit credit method carried out at the year-end.

M. IMPAIRMENT OF ASSETS

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

N. EXCISE DUTY

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

O. INVENTORIES

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

In case of Joint Venture:

Consumables, stores and spare parts have been treated as consumed during the year itself and as such no stocks thereof has been considered in the financial statement, reason being their shorter lives and small expiration period.

P. BORROWING COSTS

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

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

Q. PROPOSED DIVIDEND

The Board has recommended a final dividend of ₹ 2/- per share for the financial year 2016-17. The proposal is subject to approval of shareholders at the ensuing Annual General Meeting (AGM).

R. RESEARCH & DEVELOPMENT

The expenditure on Research & Development is recognized as an expense in the Statement of Profit & Loss on an accrual basis.

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

S. PROVISION FOR CURRENT & DEFERRED TAX

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing difference of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income

will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

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

T. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

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

- U.** Claims by or against the Company are accounted when acknowledged/ accepted/ settled/ received.
- V.** Interest on Late Payments by the customers & to the suppliers and differential interest to the bankers are accounted for on acceptance basis.
- W.** The bonus is accounted for on accrual basis.
- X.** The Company has already initiated the process and entitled for subsidy on account of certain revenue nature of expenditures incurred at Samba & Udampur Units in earlier years. The company's policy is to account for subsidy on cash/acceptance basis as under:

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

Y. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS

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

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

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

Z. MAT CREDIT ENTITLEMENTS

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

3. SHARE CAPITAL

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Authorised Shares		
25000000 (Previous Year 25000000)	2,500.00	2,500.00
Equity Shares of Rs. 10/- Each		
Issued, Subscribed & fully Paid-up Shares		
20667796 (Previous Year 20667796)	2,066.78	2,066.78
Equity Shares of Rs. 10/- Each		
Total issued, subscribed and fully paid-up share capital	2,066.78	2,066.78

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

Equity shares	As at 31.03.2017		As at 31.03.2016	
	Number of shares	(Rs.)	Number of shares	(Rs.)
At the beginning of the period	20667796	2,066.78	12682966	1,268.30
Issued during the period				
- Bonus Shares	-	-	6341483	634.15
- Qualified Institutional Placement	-	-	1643347	164.33
Outstanding at the end of the period	20667796	2,066.78	20667796	2,066.78

3 (b) Rights, preferences and restrictions attached to shares :

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

The Company has proposed Rs 2.00 per share as Dividend .

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

Name of the Shareholder	As At 31.03.2017		As At 31.03.2016	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	5,292,900.00	25.61	5,292,900.00	25.61
Pushpa Aggarwal	2,151,900.00	10.41	2,151,900.00	10.41
Rajesh Aggarwal (HUF)	1,953,000.00	9.45	1,953,000.00	9.45
Hari Chand Aggarwal (HUF)	1,494,000.00	7.23	1,494,000.00	7.23
Nikunj Aggarwal	1,125,000.00	5.44	1,125,000.00	5.44

4. RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Security Premium Reserve	10,410.18	10,410.18
(b) General Reserve		
Opening balance	3,201.52	2,718.54
Add: Transferred from surplus in Statement of P&L	-	485.13
Less: Preliminary Expenses on Bonus Issue	-	(2.14)
Closing balance	3,201.52	3,201.52
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	25,176.13	22,258.97
Add: Profit / (Loss) for the year	5,838.29	3,958.34
Less: Appropriations		
Proposed final equity dividend {amount per share Rs.2 (31 March 2016: Nil)}	-	0
Tax on proposed equity dividend	-	-
Transfer to general reserve	-	-
Difference in Proposed final equity dividend in FY 2014-15	-	(41.08)
Tax on Difference in proposed equity dividend in FY 2014-15	-	(8.36)
Interim Dividend Paid {(amount per share Rs.2)}	-	(413.36)
Tax on Interim Dividend Paid	-	(84.16)
Transfer to general reserve	-	(485.13)
Adjustment of Short Provision of Tax	(0.98)	(9.08)
	-	-
Closing balance	31,013.44	25,176.14
Total Reserves and Surplus	44,625.15	38,787.84

5. LONG-TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
	Non-current portion		Current maturities	
(a) Term loans				
Indian rupee loan from banks - Vehicle Loans (secured)	95.99	68.85	144.85	124.20
Indian rupee loan from banks - Term Loan (secured)	1,364.71	2,397.06	1,032.35	1,383.66
Foreign currency loan from banks (secured)	67.81	339.06	271.25	1,072.88
(b) Loans & Advances (Unsecured)				
From Related Parties	-	-	-	-
From Others	-	-	-	-
Total Amount	1,528.51	2,804.97	1,448.45	2,580.74

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

- Term Loans from banks for vehicles have been secured by hypothecation of vehicles. Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 9.30% to 10.50% per annum .
- The Foreign Currency outstanding loan amounting to NIL (Previous Year -1,65.19) was secured by the first charge over Plant and Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujarat). Further, the loan was guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.

- (iii) The Foreign Currency outstanding loan amounting to NIL (Previous Year -6,21.09) was secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further, the loan was guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.
- (iv) The Foreign Currency outstanding loan amounting to Rs. 339.06 (Previous Year -610.31) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 5 quarterly instalments. The interest is to be paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.
- (v) The Indian Rupees Term Loans outstanding amounts to Rs. 2397.06 (Previous Year -3779.42) have been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These outstanding loans are repayable quarterly in 2 & 12 installments alongwith interest @ 11.50% & @ 10.95% respectively.

6. OTHER LONG-TERM LIABILITIES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade / security deposits received from Customers	547.02	499.63
National Research Development Corporation (TDDP)	25.02	50.04
Total Amount	572.04	549.67

7. LONG TERM PROVISIONS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Provision for employee benefits:		
(i) Provision for gratuity	89.71	86.07
(ii) Provision for Leave Encashment	54.13	58.20
Total Amount	143.84	144.27

8. SHORT-TERM BORROWINGS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Loans repayable on demand From banks (Secured)	11,600.00	9,811.69
(b) Cash credit from banks (Secured)	6,388.52	5,362.03
(c) Buyers Credit Loans (Secured)	2,467.60	-
(d) Cheques sent for Collection	175.72	85.70
Total Amount	20,631.84	15,259.42

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

9. TRADE PAYABLES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade payables (including acceptances)	19,679.67	21,111.44
Total Amount	19,679.67	21,111.44

10. OTHER CURRENT LIABILITIES
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Current maturities of long-term borrowings	1,448.46	2,580.75
Interest accrued but not due on borrowings	20.98	-
Unpaid dividend	3.81	4.11
Other payables		
(i) Statutory Dues	267.60	271.23
(ii) Advances from customers	4,896.20	2,698.16
(iii) Creditors for Capital Expenditure	46.46	55.04
(iv) Expenses Payable	214.21	628.00
(v) Employees Payable	609.53	-
(vi) Net Forward Contract Payable	207.46	-
(vii) Debtors having credit balance	0	2,118.30
Total Amount	7,714.71	8,355.59

11. SHORT-TERM PROVISIONS
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Provision for employee benefits		
(i) Provision for bonus	172.00	163.30
(ii) Provision for Leave Encashment	1.93	2.41
(iii) Provision for gratuity	0.00	0.01
(iv) Provision for Compensated Absences	0.05	-
(b) Provision - Others:		-
(i) Provision for Income Tax	1,700.00	2,651.01
(ii) Provision for Foreign Exchange Loss (M to M)	89.25	2.91
Total Amount	1,963.23	2,819.64

(₹ In Lacs)

12. FIXED ASSETS

Description Of Assets		GROSS BLOCK				DEPRECIATION				NET BLOCK	
	opening Balance as on 01.04.2016	Addition	Internal Transfer	Sale/ Ad- justment	Total as on 31.03.2017	opening Balance as on 01.04.2016	Depreciation for the year		Total as on 31.03.2017	As on 31.03.2017	As on 31.03.2016
							Depreciation	Written Back			
(i) Tangible Assets	Freeholdland	699.35	-	(614.81)	-	84.54	-	-	-	84.54	699.35
	Leaseholds	1,367.86	43.98	614.81	-	2,026.65	-	-	-	2,026.65	1,367.86
	Office/godownbldg	224.50	-	-	-	224.50	17.39	7.46	24.85	199.65	207.11
	Factorybldg	6,253.78	85.19	-	-	6,338.97	747.88	194.55	942.43	5,396.54	5,505.90
	Plant&machinery	3,992.64	46.22	-	11.68	4,027.18	1,089.79	424.91	9.28	2,521.76	2,902.85
	Electricalinstaln	406.19	0.82	-	-	407.01	151.13	43.91	-	195.04	255.06
	Factoryequip	119.63	3.92	-	-	123.55	21.53	11.89	-	33.42	98.10
	Laboratoryequip	408.55	35.24	-	-	443.79	133.28	42.99	-	176.27	275.27
	Road RCC	1,618.19	-	-	-	1,618.19	287.80	153.72	-	441.52	1,330.39
	Other Plant & Machinery	6,618.12	126.24	-	7.83	6,736.53	1,426.31	437.02	5.22	1,858.11	5,191.81
	Server	82.13	-	-	-	82.13	30.29	12.23	-	42.52	51.84
	Motor Cycle/ Scooter	68.96	9.12	-	11.42	66.66	27.72	6.10	6.66	27.16	41.24
	Pollution control eq	104.84	-	-	-	104.84	32.75	4.86	-	37.61	72.09
	Generator	75.75	2.90	-	0.70	77.95	11.42	5.10	0.25	16.27	64.33
	Telephone & Mobiles	15.12	3.47	-	3.54	15.05	8.60	2.33	3.02	7.91	7.14
	Furniture&fixtures	214.44	18.42	-	-	232.86	56.22	21.11	-	77.33	158.22
	Electricalfittings	398.44	13.58	-	-	412.02	115.27	42.07	-	157.34	283.17
	Officeequip	113.60	35.48	-	22.52	126.56	76.01	14.08	21.39	68.70	37.59
	Computers&acc.	158.69	10.47	-	5.06	164.10	116.81	21.21	4.72	133.30	41.88
Vehicles	779.53	237.74	-	162.15	855.12	247.65	102.21	83.37	266.49	531.88	
Commercial Vehicle	17.89	-	-	-	17.89	5.42	2.38	-	7.80	12.47	
Sub Total (A)	23,738.20	672.79	-	224.90	24,186.09	4,603.27	1,550.13	133.91	6,019.49	18,166.60	19,134.93
(ii) Intangible Assets				-	-						
Capitalizedsoftware	280.04	21.50	-	-	301.54	162.28	20.90	-	183.18	118.36	117.76
Website	0.77	-	-	-	0.77	0.73	-	-	0.73	0.04	0.04
Patent,tm&designs	229.22	86.53	-	-	315.75	87.41	24.64	-	112.05	203.70	141.81
Sub Total (B)	510.03	108.03	-	-	618.06	250.42	45.54	-	295.96	322.10	259.61
Total (A+B)	24,248.23	780.82	-	224.90	24,804.15	4,853.69	1,595.67	133.91	6,315.45	18,488.70	19,394.54
Capital Goods in Transit (C)										1.36	25.04
Total (A+B+C)	24,248.23	780.82	-	224.90	24,804.15	4,853.69	1,595.67	133.91	6,315.45	18,490.06	19,419.58
Previous Year Fig.	23,823.20	600.63	-	175.60	24,248.23	3,352.36	1,592.54	91.21	4,853.69	19,419.58	20,474.07
Capital Work In Progress										5,816.71	5,097.53

CAPITALIZED BORROWING COSTS:-

No borrowing cost has been capitalised during the year. A sum of ₹ 476.22 Lacs (Previous Year ₹ 683.65 Lacs) has been transferred to Capital Work in Progress on account of borrowing cost during the year. The detail thereof is as under :

(₹ In Lacs)

Particulars	31.03.2017	31.03.2016
Balance Amount included under the captioned head CWIP at the opening of the year	1,936.69	1,253.04
Amount of interest trfd. From CWIP and Capitalised in respective Assets	-	-
Amount of interest transfer for Capitalisation under the Captioned Head - CWIP	476.22	683.65
Balance Amount included under the captioned head CWIP at the year end	2,412.91	1,936.69

FIXED ASSETS

(₹ In Lacs)

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 01/04/2016	Additions during the Year	Deductions/ Adjustments	Balance as at 31/03/2017	Balance as at 01/04/2016	Depreciation/ amortisation Expense for the year	Depreciation Charged in earlier years written back	Sale/ Adjustments	Balance as at 31/03/2017
A. Tangible Assets									
Land (Lease hold)*	60	-	-	60	2	1	-	-	57
Building	261	3	-	264	12	8	-	-	243
Electrical Equipments	55	-	-	55	19	9	-	-	28
Furniture and Fixtures	9	-	-	9	3	1	-	-	4
Office Equipment	4	0	-	4	2	1	-	-	1
Lab Equipments	139	1	-	139	49	23	-	-	67
Vehicles	10	5	-	15	6	2	-	-	7
Computers	9	3	-	11	3	3	-	-	5
Total	547	11	-	557	96	49	-	-	412
Previous Year	544	9	7	546	46	61	(8)	3	450
B. Intangible Assets									
Computer Software	-	-	-	-	-	-	-	-	-
Total	3	-	-	3	1	1	-	-	1
Previous Year	2	0	-	3	1	1	-	-	2
Grand Total	550	11	-	560	97	50	-	-	413
Previous Year - Total	546	9	7	549	48	61	(8)	3	452

13. NON CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
- Quoted Fully paid-up-At Cost (Listed at Tokyo Stock Exchange) (In Parent Co. of J.V.)		
OAT Agrio Co.Ltd.	313.54	313.54
36400 Shares - at cost {(P. Y. - 36400 Shares - at cost)} (18200 shares received during the year on split of total 18200 original shares)		
(Market Value of 1 share - 1465 Yen as on 31st March, 2017)		
(P. Y. - Market Value of 1 share - 1441 Yen as on 31st March, 2016)		
Total Amount	313.54	313.54

14. LONG TERM LOANS AND ADVANCES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
	Non-current	
Capital advances		
Secured, considered good	-	-
Unsecured, considered good	54.94	97.06
Doubtful	-	-
	54.94	97.06
Security deposit		
Secured, considered good	-	175.34
Unsecured, considered good	158.79	-
Doubtful	-	-
	158.79	175.34
Advances recoverable in cash or kind		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Other loans and advances		
Advance income-tax	-	-
Prepaid expenses	-	-
Loans & Travel Advances to employees	-	-
Total	213.73	272.40

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

Particulars	As at 31.03.2017	As at 31.03.2016
Unamortised expenses		
Unamortised (Gain)/Loss on Foreign Currency	-	125.44
Fixed deposits & NSC Purchased (having remaining maturity more than 12 months)	25.91	24.26
Balance with Government Authorities	444.70	444.70
Total Amount	470.61	594.40

16. INVENTORIES
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
(a) Raw materials (On Weighted Average Basis)	12,365.26	8,012.19
Goods-in-transit	858.87	519.41
(b) Finished goods (Manufactured) (At Cost)	20,156.69	18,891.32
Goods-in-transit	-	131.57
(c) Stock-in-trade (Traded Goods) (On Weighted Average Basis)	3,190.34	1,925.92
(d) Packing materials (On Weighted Average Basis)	1,345.26	1,375.85
Goods-in-transit	12.21	25.46
(e) Semi - Finished goods (At Cost)	4,546.82	4,125.87
(f) Stores, Spares Parts & Fuel (On Weighted Average Basis)	93.74	49.10
Goods-in-transit	8.49	3.71
Total Amount	42,577.68	35,060.40

17. TRADE RECEIVABLES
(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured, considered good unless stated otherwise		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	795.33	602.45
Doubtful	-	-
	795.33	602.45
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	20,668.58	20,170.76
Doubtful	-	-
	20,668.58	20,170.76
Total Amount	21,463.91	20,773.21

18. CASH AND BANK BALANCES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Cash and Cash Equivalents		
(a) Cash on hand	7.66	27.87
(b) Balances with banks	-	-
(i) In current accounts	803.67	713.66
(ii) Fixed Deposits with Bank (original maturity of less than 3 months)	-	-
Other Bank Balances		
(i) In earmarked accounts		
- Unpaid dividend accounts	3.81	4.11
(ii) Fixed Deposits with Bank (maturity of more than 3 months but less than 12 months)-Including Interest Accrued-Rs.1471981/-	373.46	384.78
(iii) Fixed deposits - Maturity within 3 months	61.58	80.98
Total Amount	1,250.18	1,211.40

Note :- The Fixed deposits made with banks had been given as margin money against Bank Guarantee/ L.C.

19. SHORT TERM LOANS AND ADVANCES

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
	Current	
Capital advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Security deposit		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Advances recoverable in cash or kind		
Secured, considered good	-	448.70
Unsecured, considered good	560.97	-
Doubtful	-	-
	560.97	448.70
Other loans and advances		
Imprest to Staff	0.00	-
Loans & Travel Advances to employees	16.85	18.22
	16.85	18.22
Total	577.82	466.92

20. OTHER CURRENT ASSETS

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Income-tax	1,969.54	2,865.34
Prepaid expenses	141.57	116.06
Balance with Government Authorities	5,704.54	5,160.32
MAT Credit Entitlement	1,023.63	1,277.55
Interest Subsidy Recoverable	379.89	368.32
Capital Subsidy Recoverable	-	21.20
Insurance Claim Recoverable	-	122.10
Litigation Charges Recoverable	19.60	-
Preliminary Exp. not written off or adjusted	19.02	25.37
Dividend Receivable	5.38	5.44
Deferred Premium on Forward Contract	82.25	-
Interest Accrued on Deposits	7.35	-
Export Incentive Recoverable	3.76	8.98
Interest Recoverable	-	9.64
Total Amount	9,356.53	9,980.32

21. REVENUE FROM OPERATIONS
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Sale of products		
Finished goods	103,605.97	95,145.95
Traded goods	15,338.35	9,576.52
Revenue from Job Work	-	68.25
Revenue from operations (Gross)	118,944.32	104,790.72
Less: Excise duty	8,205.90	5,976.20
Income from research & development services	-	9.28
Revenue from operations (Net)	110,738.42	98,823.82

DETAILS OF PRODUCTS SOLD
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Finished goods sold		
Liquid	58,439.49	48,631.74
Powder	12,034.43	15,545.45
Granules	19,191.51	17,969.37
Technicals	13,940.54	12,999.39
Total	103,605.97	95,145.95
Traded goods sold		
Liquid	7,819.68	7,055.58
Powder	1,337.36	390.61
Granules	936.54	1,063.99
Technicals & Others	5,244.77	1,066.34
Total	15,338.35	9,576.52
Grand Total	118,944.32	104,722.47

22. OTHER INCOME
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Interest income on		
Fixed deposits with Bank	36.11	33.94
[Tax Deducted At Source Rs 1,68,570/- (P.Y.- Rs.1,87,007/-)]		
Others	4.64	10.74
Total	40.75	44.68
Sale of Scrap	1.35	6.98
Other non-operating income	31.81	23.62
Total Other Income	73.91	75.28

23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Raw Material		
Inventory at the beginning of the year	8,531.60	11,676.32
Add: Purchases	60,351.47	50,017.36
Total	68,883.07	61,693.68
Less: inventory at the end of the year	13,224.12	8,531.60
Cost of raw material consumed	55,658.95	53,162.08
Packing Material		
Inventory at the beginning of the year	1,401.30	1,537.87
Add: Purchases	7,187.85	6,468.60
Total	8,589.15	8,006.47
Less: inventory at the end of the year	1,357.47	1,401.30
Cost of Packing material consumed	7,231.68	6,605.17
Total Cost of raw material and components consumed	62,890.63	59,767.25

24. DETAILS OF PURCHASE OF TRADED GOODS
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Liquid	6,921.79	4,948.54
Powder	1,584.36	287.73
Granules	589.26	516.59
Cost of Other Goods	5,190.78	1,034.53
Total	14,286.19	6,787.39

25. (INCREASE)/DECREASE IN INVENTORIES
(₹ In Lacs)

	Particulars	For the year ended On 31.03.2016	For the year ended On 31.03.2015
A.	(Increase)/ Decrease in Traded Goods		
	Closing Stocks	3,190.34	1,925.92
	Less: Opening Stocks	1,925.92	1,619.67
	(Increase)/Decrease in Closing Stock	(1,264.42)	(306.25)
B.	(Increase)/Decrease in Finished Goods		
	Closing Stocks	20,156.69	18,891.32
	Less: Opening Stocks	18,891.32	21,377.77
	(Increase)/Decrease in Closing Stock	(1,265.37)	2,486.45
C.	(Increase)/Decrease in Semi Finished Goods		
	Closing Stocks	4,546.82	4,125.87
	Less: Opening Stocks	4,125.87	2,848.19
	(Increase)/Decrease in Closing Stock	(420.95)	(1,277.68)
	TOTAL (A+B+C)	(2,950.75)	902.54

DETAILS OF INVENTORY
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Traded goods		
Powder	489.93	115.57
Liquid	2,516.81	1,735.68
Granules	183.60	74.66
Total	3,190.34	1,925.92
Finished goods		
Liquid	11,716.12	8,364.58
Powder	2,802.72	3,286.94
Granules	2,943.30	2,595.08
Technicals	2,694.55	4,644.71
Total	20,156.69	18,891.31

26. EMPLOYEE BENEFIT EXPENSE
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Salaries wages and bonus	3,988.30	3,664.86
Contribution to provident and other funds	184.87	175.57
Gratuity expense	76.57	85.56
Staff welfare expenses	163.38	149.26
Total	4,413.12	4,075.25

27. DEPRECIATION AND AMORTIZATION EXPENSE
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Depreciation of tangible assets	1,598.72	1,592.43
Amortization of intangible assets	46.08	53.36
Total Amount	1,644.80	1,645.79

28. FINANCE COSTS
(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Interest		
Interest on CC Limits & Buyer's Credit & Demand Loan	1,547.31	2,004.04
Interest (Others)	35.73	26.91
Interest on Term Loans	24.73	21.14
Interest on Unsecured Loans	-	1.02
Bank Charges	416.69	366.30
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	(165.91)	174.92
Total	1,858.55	2,594.33

29. OTHER EXPENSES

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Manufacturing Expenses :		
Consumption of stores and spares	432.44	235.77
Job Work Charges	0.44	24.57
Power and fuel Expenses	1,340.46	1,160.22
Freight Inward	228.81	156.26
Conveyance Expenses	82.91	82.06
Repairs and Maintenance (Others)	99.61	72.25
Repairs and Maintenance (Machinery)	85.02	176.02
Repairs and Maintenance (Buildings)	15.83	12.69
Pollution Control Expenses	75.76	55.81
Entry Tax /Toll Tax	107.77	57.13
Laboratory Expenses	20.05	37.87
	2,489.10	2,070.65
Selling & Distribution Expenses :		
Discounts & Rebates Allowed	9,579.18	8,207.28
Freight Outward	2,577.43	2,286.55
Business Promotion Expenses	1,986.10	1,755.32
Performance Incentive	237.81	256.09
Lekage/Demonstration/Testing / Tender Fees	32.46	27.96
Advertisement & Publicity Expenses	277.61	265.68
Royalty	240.35	233.48
Commission	610.47	565.17
Export Sale Expense	78.69	39.75
Travelling and conveyance	917.06	835.85
	16,537.16	14,473.13
Administrative & General Expenses :		
Rent (Including Lease Rental)	333.39	251.42
Insurance	81.75	96.09
Telephone Expenses	33.57	33.58
Printing and Stationery	26.45	28.61
Legal and Professional Fees	306.90	355.03
Director Sitting Fees	14.93	13.30
Payment to Auditors (Refer Note No. 37)	27.34	27.46
Professional Tax	0.13	0.13
Electricity & Water Charges	42.28	36.10
Rates and taxes	13.75	31.80
Repairs and Maintenance (Others)	3.00	7.01
Conveyance Expenses	5.91	9.03
Postage & Telgramme Expenses	11.98	10.71
Filing Fees	0.47	0.87
Licence Fees	2.34	0.84
Office & Factory Maintenance Expenses	58.31	34.69
Membership & Subscription	8.69	12.12
Vehicle Running & Maintenance Expenses	34.55	32.48
Security Charges	87.21	83.75
Donation	17.50	9.95
TDS (Interest Paid)	0.02	0.03
Scooter Running & Maintenance Expenses	1.99	2.08
Fine & Penalties	5.96	14.31

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Computer Running & Maintenance Expenses	92.20	81.20
Generator Repair & Maintenance Expenses	2.87	2.83
Books & Periodicals	0.43	0.25
Additional Sales Tax	1.76	3.69
ISO Expenses	1.71	2.84
Research & Development Expenses	126.81	151.64
Preliminary Expenses Written off	6.34	6.34
Petty balance Written off	2.22	7.40
Loss on Sale of Fixed Assets (net)	40.93	31.49
Miscellaneous Expenses	103.63	67.93
Field Trial Expenses	1.19	-
Bad debts written off	-	2.42
Prior Period Items (net)	8.73	6.13
Corporate Social Responsibility Expenses	93.70	92.98
	1,600.94	1,548.52
Total	20,627.17	18,092.31

PAYMENT TO AUDITORS

(₹ In Lacs)

Particulars	For the year ended On 31.03.17	For the year ended On 31.03.16
Audit Fees	15.80	15.74
Tax Audit Fees	4.60	4.58
In Other Capacity (Taxation & Other Matters)	6.94	7.14
Total	27.34	27.46

30. BONUS ISSUE

The company has allotted 63,41,483 number of Equity shares as Bonus shares on 25.04.2015 in the ratio of 2:1 during the preceding year and the same got listed on 08.05.2015.

31. EARNING PER SHARE (EPS)

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

Particular	2016-17	2015-16
Profit after Taxation	₹ 58,13,81,638	₹ 3928,54,934
Weighted Average Number of Equity Shares		
Basic	206,67,796	206,67,796
Diluted	206,67,796	196,32,338
Earning Per Share		
Basic	₹ 28.13	₹ 19.01
Diluted	₹ 28.13	₹ 20.01
Face Value Per Share	₹ 10	₹ 10

32. EMPLOYEE BENEFITS

A. RETIREMENT BENEFITS

- Retirement benefits in the form of Provident Fund / Family Pension Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Statement of Profit & Loss of the year.
- Retirement benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.

- (c) Retirement benefits in the form of Gratuity, which is define benefit plan, is determined and accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.
- (d) The actuarial Gains / Losses arising during the year are recognized in the Statement of Profit & Loss of the year.

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

GRATUITY LIABILITY

(₹ In Lacs)

Particulars		Company	Joint Venture	Consolidated
		For The Year Ended on March 31,2017	For The Year Ended on March 31,2017	For The Year Ended on March 31,2017
I.	Assumptions :			
	Discount Rate	7.52%	7.47%	-
	Rate of Return on Plan Assets	7.52%	-	-
	Salary Escalation	5.00%	12.00%	-
	Attrition Rate	2.00%	-	-
	Age Related			
II.	Change in the Present Value of Defined Benefit Obligation			
	Liability at the beginning of the year	403.04	4.08	407.13
	Interest Cost	32.52	0.30	32.83
	Current Service Cost	48.58	2.00	50.59
	Benefit Paid	(45.27)	-	(45.27)
	Actuarial (gain)/loss on obligations	20.05	(0.24)	19.80
	Liability at the end of the year	458.93	6.15	465.08
III.	Change in the Fair Value of Plan Assets			
	Fair Value of Plan Assets at the beginning of the year	321.05	-	321.05750
	Expected Return on Plan Assets	25.90	-	25.90
	Contributions by Employer	75.00	-	75.00
	Benefit Paid	(45.27)	-	(45.27)
	Actuarial gain/(loss) on Plan Assets	(1.31)	-	(1.31)
	Fair Value of Plan Assets at the end of the year	375.37	-	375.37
	Total Actuarial Gain/(Loss) To be Recognized	21.36	-	21.36
IV.	Actual Return on Plan Assets			
	Expected Return on Plan Assets	25.90	-	25.90
	Actuarial gain/(loss) on Plan Assets	(1.31)	-	(1.31)
	Actual Return on Plan Assets	24.59	-	24.59
V.	Amount Recognized in the Balance Sheet			
	Liability at the end of the year	(458.93)	(6.15)	(465.08)
	Fair Value of Plan Assets at the end of the year	375.37	-	375.37
	Difference	(83.55)	(6.15)	(89.71)
	Unrecognized Past Service Cost	-	-	-
	Amount Recognized in the Balance Sheet	(83.55)	(6.15)	(89.71)
	Expenses Recognized in the Statement of Profit & Loss	-	-	-
	Current Service Cost	48.58	2.00	50.59
	Interest Cost	6.61	0.30	6.92
	Expected Return on Plan Asset	-	-	-
	Actuarial (Gain) or Loss	21.36	(0.24)	21.12
	Expenses Recognized in the Statement of Profit & Loss	76.56	2.06	78.63
VII.	Balance Sheet Reconciliation			
	Opening Net (Liability)/Asset	(81.98)	(4.08)	(86.07)
	Expense Recognized in the statement of Profit & Loss	(76.56)	(2.06)	(78.63)
	Employers Contribution	75.00	0	75.00
	Net (Liability)/Asset Recognized in Balance Sheet	(83.55)	(6.15)	(89.71)
VIII.	Category of Assets			
	Insurer Managed Funds	37537531	32105750	-

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

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

34. SEGMENT REPORTING

The Company is engaged in the business of Formulation & Manufacture of Pesticides and the company's joint venture is engaged in scientific and technical research experiments, product development, bio-equivalency studies and developing New Chemical Entities (NCEs).

Segment Revenue, Segment Expenses, Segment Assets & Segment Liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

The Revenue, Expenses, Assets & Liabilities which are not allocable to segments, have been included under "Unallocated Revenue, Expenses, Assets & Liabilities".

A. PRIMARY SEGMENT

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

- The nature of the products.
- The related risks and returns.
- The internal financial reporting system.

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

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

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

PRIMARY SEGMENT INFORMATION:

(₹ In Lacs)

Description	Formulations		Technical's		Un- Allocated		Eliminations		Total	
	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16
Segment Revenue (Sales/Income) :										
a) External Sales	96780	85744	13958	13071	-	-	-	-	110738	98815
b) Inter Segmental Sales	-	-	13533	12767	-	-	13533	12767	-	-
c) Service Income	-	-	-	-	-	9	-	-	-	9
Sales	96780	85744	27491	25838	-	9	13533	12767	110738	98824
Segment Result :										
Operating Profit before Interest and Taxes	-	-	-	-	9603.29	7035.89	-	-	9603.29	7035.89
Less : Interest Expenses	-	-	-	-	1607.77	2053.11	-	-	1607.77	2053.11
Add : Profit on Sale of Investment	-	-	-	-	-	-	-	-	-	-
Add : Dividend Income	-	-	-	-	6.35	6.43	-	-	6.35	6.43
Add : Interest income	-	-	-	-	40.74	44.69	-	-	40.74	44.69
Profit Before Tax	-	-	-	-	8042.61	5033.90	-	-	8042.61	5033.90
Current Tax(Net Of MAT Credit)	-	-	-	-	1927.23	1261.17	-	-	1927.23	1261.17
Deferred Tax	-	-	-	-	277.09	213.32	-	-	277.09	213.32
Wealth Tax	-	-	-	-	-	0.06	-	-	-	0.06
Provision for Taxes of Earlier year	-	-	-	-	-	(398.99)	-	-	-	(398.99)
Profit After Tax	-	-	-	-	5838.29	3958.34	-	-	5838.29	3958.34
Other Information :										
Segment Assets	-	-	-	-	100944.05	93640.81	-	-	100944.05	93640.81
Segment Liabilities	-	-	-	-	54252.12	47543.18	-	-	54252.12	47543.18
Capital Expenditure	910.51	1273.43	237.84	262.66	339.31	432.07	-	-	1487.66	1968.16
Depreciation	588.08	580.90	856.12	861.70	200.60	203.19	-	-	1644.80	1645.79
Non-Cash Expenditure	-	-	-	-	8.57	13.74	-	-	8.57	13.74

B. SECONDARY SEGMENT

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

35. RELATED PARTY DISCLOSURES

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

i.) RELATED PARTIES IN CASE OF COMPANY -

A. Key Management Personnel & their Relatives :

- | | |
|---|---------------------------------|
| 1. Sh. Hari Chand Aggarwal | 10. Sh. Vinod Kumar Mittal |
| 2. Sh. Rajesh Aggarwal | 11. Sh. Sandeep Aggarwal |
| 3. Smt. Nikunj Aggarwal | 12. Sh. Sanjeev Aggarwal |
| 4. Sh. Navneet Goel (Resigned) | 13. Smt. Sonia Aggarwal |
| 5. Sh. Virjesh Kumar Gupta | 14. Smt. Anju Aggarwal |
| 6. Sh. Gopal Chandra Agarwal (Resigned) | 15. Sh. Pankaj Gupta (Resigned) |
| 7. Sh. Navin Shah | 16. Smt. Pushpa Aggarwal |
| 8. Sh. Anil Kumar Singh (Resigned) | 17. Sh. Deepak Gupta |
| 9. Sh. Jayaraman Swaminathan | |

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

- | | |
|--------------------------------------|---------|
| 1. Paras Agro Industries | Firm |
| 2. ISEC Organics Ltd. | Company |
| 3. Evergreen Mineral Industries | Firm |
| 4. Valve & Phneumatics | Firm |
| 5. Vinod Metals Industries | Firm |
| 6. Crystal Crop Protection Pvt. Ltd. | Company |
| 7. HPM Chemicals & Fertilizers Ltd. | Company |
| 8. Crop Care Federation of India | NPO |

IN CASE OF COMPANY -

A. Key Management Personnel & their Relatives :

1. Mr. Tetsuya Imai
2. Mr. Isao Tada
3. Mr. M. Venkat Rao
4. Mr. Takanobu Morita

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

1. OAT Agrio Co. Ltd. Holding Company

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

ii) Transactions during the year with related parties:-

(₹ In Lacs)

SI No.	Name of Related Parties	Relationship	Nature of Payment	2016-17	2015-16
IN CASE OF COMPANY-					
1	Sh. Hari Chand Aggarwal	Chairman	Director's Remuneration & Perquisites	113.79	82.29
2	Sh. Rajesh Aggarwal	Managing Director	Director's Remuneration & Perquisites	101.19	69.69
3	Smt. Nikunj Aggarwal	Whole-time Director	Director's Remuneration & Perquisites	38.01	17.12
4	Sh. Vrijesh Kumar Gupta	Independent Director	Sitting Fees	2.75	2.70
5	Sh. Navneet Goel	Independent Director	Sitting Fees	-	2.10
6	Sh. Gopal Chandra Agarwal	Independent Director	Sitting Fees	-	1.95
7	Sh. Navin Shah	Independent Director	Sitting Fees	1.75	1.50
8	Sh. Anil Kumar Singh	Independent Director	Sitting Fees	-	1.80
9	Sh. Jayaraman Swaminathan	Independent Director	Sitting Fees	4.00	1.00
10	Sh. Deepak Gupta	Independent Director	Sitting Fees	1.75	-
11	Sh. Vinod Kumar Mittal	Independent Director	Sitting Fees	2.75	0.65
12	ISEC Organics Ltd	Company	Rent	57.95	41.47
13	Paras Agro Industries	Firm	Purchases	50.71	39.19
14	Evergreen Mineral Industries	Firm	Purchases	101.52	120.09
15	Vinod Metal Industries	Firm	Purchases of RM Purchase of Capital Goods	67.56 0.68	37.60
16	Valves & Pneumatics	Firm	Purchases	1.69	2.40
17	Crystal Crop Protection Pvt Ltd	Company	Purchases	5518.75	996.39
18	HPM Chemical & Fertilizers Limited	Company	Purchases	87.26	374.81
19	Smt. Sonia Aggarwal	KMP Relative	Consultancy	8.55	8.55
20	Sh. Sanjeev Aggarwal	KMP Relative	Salary & other benefits	16.41	15.15
21	Smt. Anju Aggarwal	KMP Relative	Salary & other benefits	10.21	9.72
22	Sh. Sandeep Aggarwal	KMP (CFO)	Salary & other benefits	26.80	25.05
23	Sh. Pankaj Gupta	KMP(Company Secretary)	Salary & other benefits	17.09	10.98
24	Crop Care Federation of India	NPO	Membership & Subscription Sales Conference Advertisement	5.00 - 2.12	9.42 1.00 -
25	Smt. Pushpa Aggarwal	KMP Relative	Rent paid	1.44	-
IN CASE OF JOINT VENTURE-					
1.	OAT Agro Co. Ltd.	Holding Company	Research & Development Reimbursements TDS recoverable	183.11 0.02 19.21	180.07 - 1,0.87
2.	Key Management Personnel	KMP	Salary expenses	18.33	17.73

iii) Balance outstanding with related parties:-

(₹ In Lacs)

SI No.	Name of Related Parties	Relationship	Nature of O/S	As At 31.03.2017	As At 31.03.2016
IN CASE OF COMPANY-					
1	Sh. Hari Chand Aggarwal	Chairman	Director's Remuneration	5.88	6.25
2	Sh. Rajesh Aggarwal	Managing Director	Director's Remuneration	5.64	5.57
3	Smt. Nikunj Aggarwal	Whole-time Director	Director's Remuneration	2.19	2.19

4	ISEC Organics Ltd	Company	Rent	-	-
5	Paras Agro Industries	Firm	Purchases	12.45	4.49
6	Evergreen Mineral Industries	Firm	Purchases	2.31	1.86
7	Vinod Metal Industries	Firm	Purchases	28.04	24.71
8	Valves & Pneumatics	Firm	Purchases	-	0.07
9	Crystal Crop Protection Pvt Ltd	Company	Purchases	-	134.69
10	HPM Chemical & Fertilizers Limited	Company	Purchases	56.22	-
11	Sonia Aggarwal	KMP Related	Consultancy	0.65	0.65
12	Sanjeev Aggarwal	KMP Related	Salary & other benefits	1.20	1.10
13	Anju Aggarwal	KMP Related	Salary & other benefits	0.81	0.82
14	Sandeep Aggarwal	CFO	Salary & other benefits	1.47	1.64
15	Pankaj Gupta	Company Secretary	Salary & other benefits	6.92	0.86
16	Crop Care Federation of India	NPO	Membership	0.90	2.42
IN CASE OF JOINT VENTURE-					
1.	OAT Agro Co. Ltd.	Holding Company	Research & Development & other charges	(19.21) 0.02	(20.15)
2.	Key Management Personnel	KMP	Remuneration Payable	1.11	(0.27)

36. DEFERRED TAX LIABILITIES

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

(₹ In Lacs)

Particular	As At 31.03.2017	As At 31.03.2016
Deferred Tax Assets	NIL	NIL
Deferred Tax Liabilities	2018.27	1741.18
Deferred Tax Liabilities		
At The End of The Year	2018.27	1741.18
For The Year	277.08	213.31

37. PAYMENT TO AUDITORS : (Net Of Service Tax)

(₹ In Lacs)

Particular	2016-17	2015-16
(a) Auditors		
Statutory Audit Fees	14	14.20
Tax Audit Fees	4	4
In Other Capacity		
Taxation & Other Matters	6.04	6.06
(b) Cost Audit Fee	3	3
TOTAL	27.04	27.27

38. Remittance in Foreign Currency on account of Dividend: Nil

39. RESEARCH & DEVELOPMENT EXPENDITURE

A. The Expenditure incurred on Research & Development during the F.Y. 2016-17

(₹ In Lacs)

Particulars	2016-17	2015-16
Capital	42.38	0.37
Recurring	111.53	149.07
Total	153.91	149.44

40. COST OF IMPORTED MATERIALS CONSUMED

A. RAW MATERIAL CONSUMED

PARTICULARS	2016-17		2015-16	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Imported	15565.09	27.97	15929.28	29.96
Indigenous	40093.85	72.03	37232.79	70.04
TOTAL	55658.94	100.00	53162.07	100.00

B. PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	2016-17		2015-16	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Imported	-	-	-	-
Indigenous	7642.45	100	6825.80	100.00
TOTAL	7642.45	100	6825.80	100

C. RAW MATERIAL, PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	2016-17		2015-16	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Imported	15565.09	24.59	15929.28	26.55
Indigenous	47736.31	75.41	44058.60	73.45
TOTAL	63301.40	100.00	59987.88	100.00

41. VALUE OF IMPORTS (ON CIF BASIS)

(₹ In Lacs)

PARTICULARS	2016-17	2015-16
Raw Materials	18540.03	14695.15
Machinery	21.37	14.00
Spare parts	-	0.42
Total	18561.40	14709.57

42. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The company's policy covers current as well as proposed CSR activities to be undertaken by the company and examining their alignment with Schedule VII of the Act.

The company proposes to implement its CSR activities in various sectors which includes promoting Education, green initiatives, facilities for senior citizens, vocational & entrepreneurship skills, medical aid & healthcare, old age homes & women hostels, art and culture, destitute care and rehabilitation, rural development projects and others.

43. EXPENDITURE IN FOREIGN CURRENCY

(₹ In Lacs)

PARTICULARS	2016-17	2015-16
Tour & Travelling Expenses	10.29	29.33
Royalty	233.34	22.75
Interest	112.98	186.50
R & D Expenses	-	1.47
Sales Promotion Expenses	0.47	-
Export Sales Expenses	1.94	-
Software Expense	5.04	3.69
Professional fee	1.50	1.33

44. INCOME IN FOREIGN CURRENCY (FOB)

(₹ In Lacs)

PARTICULARS	2016-17	2015-16
Export Sales	660.20	681.27
Export of Service	183.11	180.07
Dividend Income	6.35	6.42

45. CONTINGENT LIABILITIES

(₹ In Lacs)

S.No.	PARTICULARS	As At 31.03.2017	As At 31.03.2016
(a)	Letter of Credits (FLC & ILC)	12236.23	7106.86
(b)	Bank Guarantee	277.93	265.93
(c)	Import Bills Accepted with Banks	644.62	1013.41
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered – Sept'2004 to August'2007)	-	186.10
(e)	Sales Tax Matters	373.15	542.05
(f)	Bank charges against CC Limit (charged by bank without giving CC Limit facility- Bank has agreed to reverse the same in June' 2016)	-	22.86
(g)	Revenue Department	89.6	-

(Except above no other contingent liabilities are outstanding as explained and Certified by the Management of the Company)
 With respect to contingent liabilities reported at (e) and (f) above, the management has taken an opinion from the legal advisors / professionals engaged by them and is very much hopeful that the appeals will be decided in the favour of the company and as such, no provision thereof has been made.

46. Estimated amount of Contract remaining to be executed on capital accounts (net of advances) & not provided for is NIL (Previous year ₹ NIL).

IN CASE OF JOINT VENTURE (Commitments)-

Unpaid Preference Dividend Rs. 0.80 lacs (Previous Year – 0.60 lacs)

Capital Commitments Rs. NIL (Previous Year – NIL)

47. In the opinion of the Board of Directors of the Company, the current assets, loans and advances have the value at least equal to the figures stated in the Balance Sheet on realization in the ordinary course of business and provision for all determinable/known liabilities have been made in the Accounts when reliable estimates can be made of the amount of obligation.
48. The Balances shown under the head sundry debtors and Sundry Creditors are subject to confirmation and reconciliations. However, the Company has initiated the process of obtaining confirmations from sundry debtors & creditors.
49. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India.
50. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2017 is ₹ 723.63 Lacs (Previous Year- ₹ 933.80 Lacs).
51. The Company has not received any confirmation from suppliers regarding their status of registration under the Micro, Small & Medium Enterprises Development Act, 2006 which came into effect from October 2, 2006 and hence disclosure required under the said act have not been given.
52. The Previous Year Figures have been reworked , regrouped , rearranged , reclassified and / or re-casted wherever deemed necessary to make them comparable with those of the current year's figures.
53. All the common expenses incurred during the year in respect of Formulation (Products) units at Chopanki, Samba, Udhampur and Dahej have been allocated at the year end in the proportion to sales (net) effected during the year. The Technical (Products) Units at Chopanki & Dahej are separate as well as independent units having no common activities if compared with above mentioned Formulation Units and as such, the expenses incurred by branches/ other units have not been allocated to the Technical unit except common expenses incurred by the Head office which are allocated in proportion to Sales (net) effected by all the units.
54. Disclosure of Specified Bank notes* (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as Provided in Table below:

	SBNs	Other Denomination Notes	Total
Closing Cash In Hand as On 08/11/2016	47.31	11.20	58.51
(+) Permitted receipts	-	46.86	46.86
(-) Permitted payments	1.77	36.70	38.40
(-) Amount deposited in Banks	45.54	0.23	45.77
Closing cash in hand as on 30.12.2016	-	21.12	21.12

*SBN mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs no. S.O.3407(E), dated November 8, 2016.

55. DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

- a) The nominal amount of derivative contracts entered into by the company and outstanding as on March 31, 2017 amounts to ₹ 8792.79 lacs (Previous Year ₹ 6500.10 Lacs). The Category wise break-up is given below:-

(₹ In Lacs)

S. No.	PARTICULARS	As At 31.03.2017	As At 31.03.2016
1	Interest Rate Swaps	6.66	15.09
2	Currency Swaps	339.06	775.50
3	Forex Contract against Import Bills Accepted	349.69	962.40
4	FLC hedged	5722.93	4747.11
5	Buyer credit Hedge	2374.44	-

- b) Foreign currency exposure that are not hedged by derivatives instruments as on March 31, 2017 amounts to
 Company - ₹ 6175.13 lacs (Previous Year ₹ 1847.64 Lacs)
 Joint Venture - Payables ₹ 0.99 lacs (Previous Year NIL)
 Receivables - ₹ 19.21 lacs (Previous Year ₹ 9.28 lacs)
- c) Mark to Market Losses provided by the company during the year amounts to ₹ 89.25 lacs (Previous Year ₹ 2.91 lacs)

As per our separate report of even date annexed herewith

Auditor's Report

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

(ADITI GUPTA)
 Partner
 M.No.- 523498
 Firm Regn. No. - 002067N
 Place : Delhi
 Date : May 27, 2017

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
 CHAIRMAN
 DIN 00577015

RAJESH AGGARWAL
 MANAGING DIRECTOR
 DIN 00576872

NIKUNJ AGGARWAL
 WHOLE TIME DIRECTOR
 DIN 06569091

SANDEEP AGGARWAL
 CHIEF FINANCE OFFICER

SANDEEP KUMAR
 COMPANY SECRETARY

INSECTICIDES (INDIA) LIMITED

Corporate Identification Number (CIN): L65991DL1996PLC083909

Regd. Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033;

E-mail: investor@insecticidesindia.com; Telefax: +91 – 11 – 2769700 – 04

Website: www.insecticidesindia.com

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of **INSECTICIDES (INDIA) LIMITED** will be held on Tuesday, 08th day of August, 2017 at 04.30 P.M. at M. P. C. U. Shah Auditorium, Civil Lines, Delhi – 110 054, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended March 31, 2017.
3. To appoint a Director in place of Mrs. Nikunj Aggarwal (DIN: 0659091), who retires by rotation and being eligible, offers herself for re-appointment.
4. **Appointment of Joint Statutory Auditors of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), S S Kothari Mehta & Co., Chartered Accountants (ICAI Regd. No.: 000756N) and Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N), be and are hereby appointed as Statutory Auditors of the Company, in place of Mohit Parekh & Co., Chartered Accountants, (ICAI Regd. No.: 002067N), the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of Twenty fifth Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the twenty fifth Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, in consultation with the Audit Committee of the Company.”

SPECIAL BUSINESS:

5. **Approval of Cost Auditor’s Remuneration**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and all other relevant provisions, if any, the remuneration of A.G.S. & Associates, Cost Accountants, Delhi (Firm Regd. No.: 000176), appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18, be paid the remuneration of Rs. 3,25,000.00/- (Rupees Three Lac Twenty Five Thousand Only) (exclusive of service tax & out of pocket expenses) as set out in the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all act(s), deed(s), thing (s) and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. **Re-appointment of Mr. Rajesh Aggarwal as a Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED** that pursuant to the provisions of the Section 164, 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments(s) thereof, for the time being in force), and subject to the approval of Central Government, if required and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptance to the appointee, the consent of the members be hereby

accorded for re-appointment of Mr. Rajesh Aggarwal (DIN : 00576862) as Managing Director of the Company for a period of 3 (Three) years from 15th November, 2016 to 14th November, 2019 at a remuneration of Rs. 96,00,000 (Rupees Ninety Six Lacs) Per Annum and on such terms and conditions as contained in the draft agreement which was approved by the Nomination & Remuneration Committee in its meeting and the same has been laid on the table before the Board.”

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

Registered Office:

401-402, Lusa Tower,
Azadpur Commercial Complex,
Delhi – 110033
May 27, 2017
Delhi

(Sandeep Kumar)
Company Secretary
(Membership No. A29777)

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts, concerning the business under Item No.05 and 06 of the notice, annexure hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item No. 03 and 06 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form is attached hereto.
3. Corporate Members are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. The Register of Members and Share Transfer Books of the Company will remain closed from July 31, 2017 to August 08, 2017 (both days inclusive).
6. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be payable on or after August 10, 2017 as under:
 - a. To all beneficial owner in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on July 30, 2017;
 - b. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on July 30, 2017.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s record which will help the Company and the Company’s Registrars and Transfer Agents, Alankit Assignments Limited (AAL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to AAL.

The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to AAL.

8. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or AAL for assistance in this regard.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or AAL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 and Register of Contract or Arrangement in which the directors are interested, maintained under section 189 of the Act, will be available for inspection by the members at the AGM. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

12. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF)

Equity divided for the financial year ended on March 31, 2010, declared by the Company, which remains unpaid or unclaimed, will be due for transfer to the Investor Education Protection Fund (IEPF) in September, 2017.

Members, who have not encashed their dividend warrants, issued by the Company, for the financial year ended on March 31, 2010 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar and Share Transfer Agent. Members are advised that in terms of provisions of Section 125 of the Companies Act, 2013, any person whose unclaimed dividend is transferred to IEPF, shall be entitled to get refund out of the fund in accordance with rules made under Section 125 of Companies Act, 2013.

13. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. www.insecticidesindia.com.
14. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / AAL.
15. The route map showing directions to reach the venue of the twentieth AGM is annexed.
16. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
17. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be August 01, 2017.
18. The Board of Directors has appointed Mr. Arun Gupta, Advocate, Registration No. D/460/2011 as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
19. The facility for voting, through polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM. Remote e-voting shall not be allowed beyond Monday, August 07 at 5:00 p.m.
20. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
21. **The instructions for e-voting are as under**
 - A. In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company / Depositories):

- (i) The voting period begins on Saturday, August 05, 2017 at 09.00 a.m. and ends on Monday, August 07, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 01, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members holding shares in physical or in demat form as on August 01, 2017, shall only be eligible for e-voting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders / Members.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN – 160811006 for Insecticides (India) Limited.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case a Member receives a physical copy of the Notice of the AGM (for Members whose do not hold Valid PAN:

- (i) Initial password is provided in the enclosed separate sheet in the envelope.
- (ii) Please follow all steps from Sl. No. 21 A, above, to cast vote.

C. Other Instructions

- (i) 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. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Meeting through electronic voting system or poll paper.
- (ii) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at www.evotingindia.com.
- (iii) 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 and make, 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.
- (iv) 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. 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. The results shall also be displayed on the notice board at the Registered Office of the Company.

I. EXPLANATORY STATEMENT IN RESECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.5

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of A.G.S. & Associates, Cost Accountants, Delhi (Firm Regd. No.: 000176), to conduct the audit of the cost records of the Company for the financial year 2017-18.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution for this item for approval of the remuneration of Rs.3,25,000/- (Rupees Three Lakh Twenty Five Thousand) (excluding service tax & out of pocket expenses) payable to Cost Auditor for the financial year 2017 – 18.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this resolution.

The Board of Directors recommend the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the members.

ITEM NO.6

The Board of Directors of the Company has re-appointed Mr. Rajesh Aggarwal (DIN – 00576872) as Managing Director of the Company for a tenure of 3 (Three) years w.e.f. November 15, 2016 pursuant to Sections 196, 197, 198, 203 of the Companies Act, 2013 ("the Act") or any statutory modification or re-enactment thereof and Schedule V thereto, on the terms and remuneration determined by the Nomination and Remuneration Committee of Directors, set out hereinafter, subject to approval of Members and such other approval(s), as may be required.

In terms of Schedule V of the Companies Act, 2013, the relevant details are as under:

I. General Information:

- Nature of Industry:** Agro Chemicals
- Date or expected date of commencement of commercial production:** The formulation plant of the Company was commissioned in the year 2002.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- Financial performance based on given indicators:**

Particulars for the financial year ended on March 31, 2017	Rs. In Lac
Total Income	110793.41
Profit Before Tax	7999.90
Profit After Tax	5813.81

- Foreign investment or collaborations, if any:** The Company has invested of Rs. 313.54 Lac in the shares of OAT Agrio Co. Ltd., Japan under Portfolio Investment.

II. Information about the Appointee:

Mr. Rajesh Aggarwal, aged 47 years, has experience of more than 23 years in production, marketing, distribution of Agro Chemicals. He promoted the company 'Insecticides (India) Limited' in 1996 and Started looking after the operations of the Company from 2001.

Mr. Rajesh Aggarwal, has been Managing Director of the Company since 2006 and was re-appointed as Managing Director in 2011. He attended the 08 (Eight) Board Meetings of the Company held during the Financial Year ended March 31, 2017. He holds 52,92,900 Equity Shares of Rs.10/- each of the Company. His other Directorships are:- (A) Listed Companies – Nil (B) Unlisted Companies – OAT and IIL India Laboratories Private Limited and Emroyal Shiksha Private Limited.

He is also a Member of Company's CSR Committee. He does not hold any Committee position in other companies in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Past Remuneration: The past remuneration of Mr. Rajesh Aggarwal was approved by the Members of the Company at their Annual General Meeting held on September 21, 2016. Same is given under Item no.6 of this Statement.

Job Profile and their suitability: Mr. Rajesh Aggarwal, Managing Director of the Company is entrusted with substantial powers of management of the affairs of the Company under the superintendence, control and direction of Board of Directors. He has been responsible for policy planning, vision, strategy, control of production and sales & development activities and also involved in long term development activities of the Company, besides Corporate Governance and Board co-ordination. He has long experience of managing the industry.

Remuneration Proposed: The Nomination & Remuneration Committee and Board of Directors of the Company at their respective meetings held on 8th November, 2016 have approved the following terms of remuneration of Mr. Rajesh Aggarwal for a tenure of 3 (Three) years w.e.f.15th November, 2016.

Remuneration

Rs. 8,00,000/- (Rupees Eight Lac only) per month or Rs.96 Lac (Rupees Ninety Six Lac only) per annum (Inclusive of Dearness Allowance).

Perquisites

- a. Free use of telephone facility at the residence.
- b. Payment of mobile phone bill on actual basis used by himself and his family members.
- c. Use of company's car along with the driver.

The above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. Half Payment of mobile phone bill used by him shall be included in the computation of perquisites. The Company shall be paying the amount of insurance premium as key man and accidental insurance policies. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company, as per rules of the Company.

Provident Fund, Superannuation/Annuity Fund and Gratuity

Mr. Rajesh Aggarwal shall be entitled to the Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, Bonus, Gratuity payable and other benefits as per rules of the Company.

Provision of Car

As per the rules of the Company.

Minimum Remuneration

During the tenure in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

The above terms may be varied, altered, increased, enhanced or widened from time to time by the Nomination & Remuneration Committee or Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

III. Other Information

1. In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.
2. Leave and allowances shall be allowed as per given the term in the agreement.
3. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company shall be allowed.
4. No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committee thereof.
5. The Managing Director shall not be liable to retire by rotation.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the preceding Financial Year.

Copy of the draft terms and conditions of the re-appointment of Mr. Rajesh Aggarwal, would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the day of AGM,

Disclosure as per SEBI Listing Regulations and Secretarial Standards 2:

Name of the Director	Mr. Rajesh Aggarwal
Date of Birth	September 2, 1970
Age	47 year
Date of first Appointment on the Board of the Company	December 18, 1996
Qualification	B.Com
Expertise in specific functional area	Marketing, Manufacturing and Administration
List of Companies in which outside Directorship held	1. OAT & IIL India Laboratories Private Limited 2. Emroyal Shiksha Private Limited
Chairman/ Member of the Committee of Board of Directors of Companies	CSR Committee
Terms and Conditions of Appointment along with the remuneration sought to be paid	1. Tenure of this appointment shall be three years with effect from November 15, 2016. 2. He has been appointed as a Managing Director of the Company. 3. He will not be liable to retire by rotation. 4. He will get the remuneration for his office. 5. Other terms and conditions will be applicable under the mentioned agreement between the Company and him.
Remuneration last drawn	Rs. 96.00 Lacs Per Annum
Shareholding in the Company	5292900 Equity Shares
Relationship with other Directors and other kmp (if any)	Son of Mr. Hari Chand Aggarwal, Chairman cum Whole-time Director and Husband of Mrs. Nikunj Aggarwal, Whole-time Director
Number of Meeting attended during the year	8 (Eight)
Membership, Chairman of Committees in the Outside Companies	Nil
Name of Listed Entities in which the person also holds the directorship and the membership of Committees of the Board	Nil
Brief Profile	Mr. Rajesh Aggarwal, aged 47 years, is a Commerce Graduate and has attended a workshop in "Marketing and Formulation of Pesticides" conducted by Institute of Pesticides Formulation Technology, Gurgaon in the year 1994. He joined M/s HIM Pulverizing Mills Limited in 1993 and continued till 2001. In M/s HIM Pulverizing Mills Limited, he was looking after production and marketing and during his tenure the turnover rose from Rs.12 Crore in 1993 to Rs.80 Crore in 2000. He promoted the company Insecticides (India) Limited in 1996 and got totally involved in the Company from 2001. The Company started commercial operations from 2002. Mr. Rajesh Aggarwal has good knowledge of Production and Marketing of Pesticides. In November 2006, he was appointed as the Managing Director of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution except Mr. Rajesh Aggarwal, Mr. Hari Chand Aggarwal and Mrs. Nikunj Aggarwal.

The Board of Directors recommend the Special Resolution as set out at Item No. 06 of the Notice for approval by the members.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:

Re-appointment of Mrs. Nikunj Aggarwal (Item No. 3)

Disclosure as per SEBI Listing Regulations and Secretarial Standards 2

Name of the Director	Mrs. Nikunj Aggarwal
Date of Birth	January 1, 1973
Age	44 years
Date of first Appointment on the Board of the Company	May 2, 2014
Qualification	B.A
Expertise in specific functional area	Administration
List of Companies in which outside Directorship held	Nil
Chairman/ Member of the Committee of Board of Directors of Companies	Nil
Terms and Conditions of Appointment along with the remuneration sought to be paid	1. She will hold the office for a period of 5 (Five) years 2. She is appointed as a whole-time Director 3. She will be liable to retire by rotation 4. She will get the remuneration for his office 5. Other terms and conditions will be applicable under mention the agreement between the Company and him
Remuneration last drawn	Rs.36.00 Lacs Per Annum
Shareholding in the Company	1125000 Equity Shares
Relationship with other Directors and other KMP (if any)	Daughter in law of Mr. Hari Chand Aggarwal, Chairman cum Whole-time Director and Wife of Mr. Rajesh Aggarwal, Managing Director
No of Meeting attended during the year	5 (Five)
Membership, Chairman of Committees in the Outside Companies	Nil
Name of Listed Entities in which the person also holds the directorship and the membership of Committees of the Board	Nil
Brief Profile	Mrs. Nikunj Aggarwal, aged 44 years, belongs to Delhi based business family. She is a graduate by qualification from Hans Raj College, New Delhi. She has experienced in business fields for over 8 years. Presently, she is involved in general management covering almost all aspects of day to day business activities.

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

Registered Office:

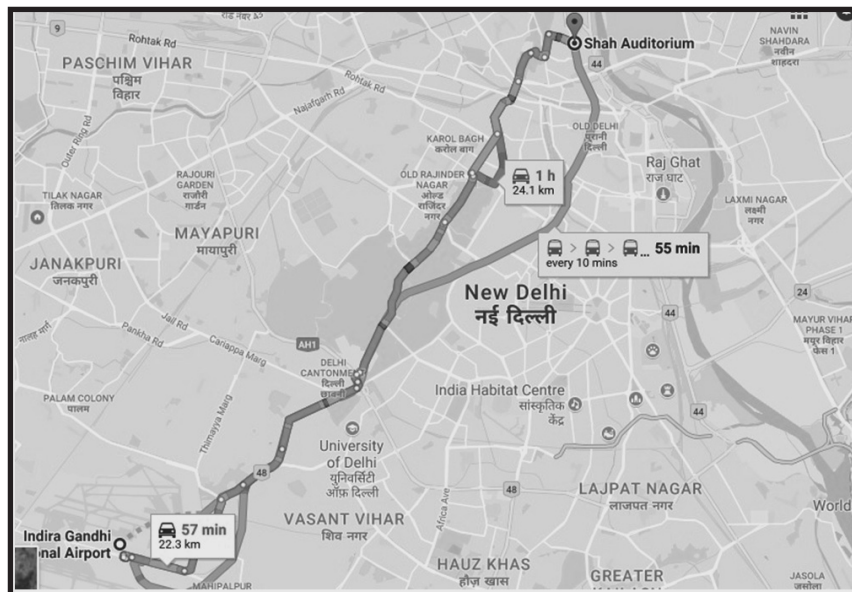
401-402, Lusa Tower,
 Azadpur Commercial Complex,
 Delhi – 110033
 May 27, 2017
 Delhi

(Sandeep Kumar)
 Company Secretary
 (Membership No. A29777)

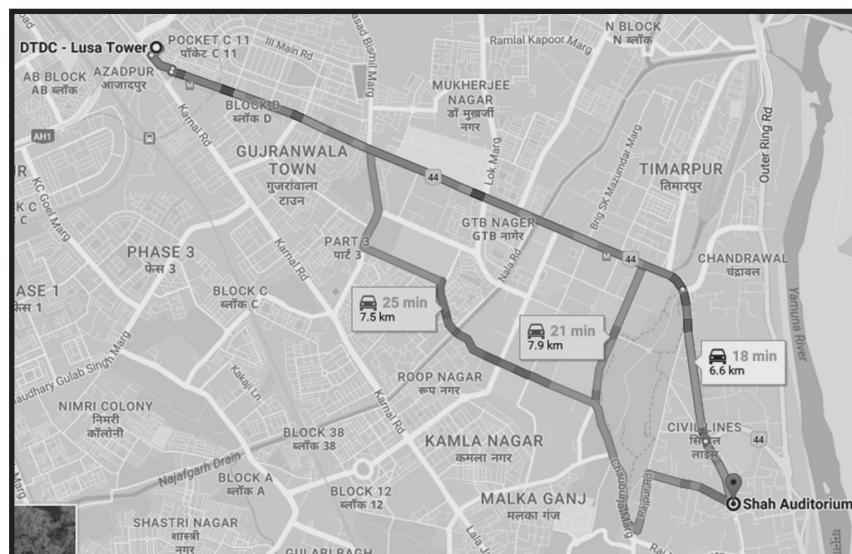
ROUTE MAP TO THE AGM VENUE

Venue : M. P. C. U. Shah Auditorium,
Civil Lines, Delhi – 110 054

Date & Time : Tuesday, August 08, 2017 at 04:30 p.m.



Distance From Indira Gandhi International Airport : 24 Km



Distance from Registered Office : 7 Km

INSECTICIDES (INDIA) LIMITED
 (CIN: L65991DL1996PLC083909)
Regd. Office: 401-402, Lusa Tower,
 Azadpur Commercial Complex, Delhi-110033

ATTENDANCE SLIP
20th Annual General Meeting

Name of the Shareholder	
Address of the Shareholder	
No. of Shares	

I/We hereby record my/ our presence at the 20th Annual General Meeting of the Company at M.P.C.U. Shah Auditorium, Civil lines, Delhi-110 054 on Tuesday, 08th August, 2017 at 04:30 p.m.

.....
 Member's Folio/DP ID-Client ID No. Member's /Proxy's Name in Block Letter Member's /Proxy's Signature

Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall, Members intending to appoint a proxy may use the Proxy Form given herewith.



INSECTICIDES (INDIA) LIMITED
 (CIN: L65991DL1996PLC083909)
Regd. Office: 401-402, Lusa Tower,
 Azadpur Commercial Complex, Delhi-110033

PROXY FORM
20th Annual General Meeting

Name of the Member(s):	Regd Add:
Folio No. / Client ID:	Email ID:
DP ID :	

I/We, being the member(s) of.....shares of the above named company, hereby appoint

- Name:Address:
 E-mail Id:.....Signature:.....or failing him;
- Name:Address:
 E-mail Id:.....Signature:.....or failing him;
- Name:Address:
 E-mail Id:.....Signature:.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 20th Annual General Meeting of the Company, to be held on Tuesday, August 08, 2017 at 04:30 p.m. at M.P.C.U. Shah Auditorium, Civil Lines, New Delhi 110 054 and at any adjournment thereof in respect of such resolution as are indicated below:

Important Communication to Members

The Companies Act, 2013 is taking step forward in promoting “Green Initiative” by providing for service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement to help to environment. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate the Company or Registrar of the Company i.e. Alankit Assignments Limited, New Delhi.



Resolution No.		Optional*	
Ordinary Business		For	Against
1	Audited Standalone and Consolidated Financial Statement for the Financial Year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.		
2	Declaration of dividend on Equity Shares for FY Ended March 31, 2017.		
3	Re-appointment of Mrs. Nikunj Aggarwal (DIN: 0659091), who retires by rotation.		
4	Appointment of Joint Statutory Auditors and to fix their remuneration		
Special Business			
5	Ratification of remuneration of Cost Auditors for the financial year 2017-18		
6	Re-appointment of Mr. Rajesh Aggarwal as Managing Director		

Signed thisday of.....2017.

Signature of the Member(s)

Signature of proxy holder(s)

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered Office of the Company at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi - 110033, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 20th Annual General Meeting.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.