



insecticides
(INDIA) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hari Chand Aggarwal, Chairman
 Mr. Rajesh Aggarwal, Managing Director
 Mrs. Nikunj Aggarwal, Whole-time Director
 Mr. Virjesh Kumar Gupta, Director
 Mr. Navneet Goel, Director
 Mr. Gopal Chandra Agarwal, Director
 Mr. Navin Shah, Director
 Mr. Anil Kumar Singh, Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Pankaj Gupta

AUDITORS

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

COST AUDITORS

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

INTERNAL AUDITORS

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

INTERNAL AUDITORS (SYSTEM)

M/s Deloitte Haskins & Sells
 Chartered Accountants, New Delhi

BANKERS

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

REGISTRAR & TRANSFER AGENT

Alankit Assignments Ltd.
 Alankit House,
 2E/21, Jhandewalan Extension,
 New Delhi – 110 055

REGISTERED & CORPORATE OFFICE

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

WORKS

E – 442, RIICO Industrial Area,
 Chopanki, (Bhiwadi) – 301 707 (Raj.)
 E – 443 – 444, RIICO Industrial Area,
 Chopanki, (Bhiwadi) – 301 707 (Raj.)
 SIDCO Industrial Growth Centre,
 Samba – 184 121 (J&K)
 II D, Centre Battal Ballian,
 Udhampur – 182 101(J&K)
 CH-21, GIDC Industrial Estate, Dahej, Dist.
 Bharuch – 392 130 (Gujarat)

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INVESTING FOR SMILING TOMORROW

Agriculture is the dominant sector of Indian economy, which determines the growth and sustainability. About 65 per cent of the population still relies on agriculture for employment and livelihood. To bring happiness to the larger segment, IIL has always strived to bring latest technologies within the reach of the farmers. Company has touched more than 4 Lac farmers in person to help them in getting the best harvest out of their efforts. Apart from acquiring new technologies and making tie-ups with globally successful brands, IIL is keen to develop new agrochemical molecules through R&D.



Financial Summary

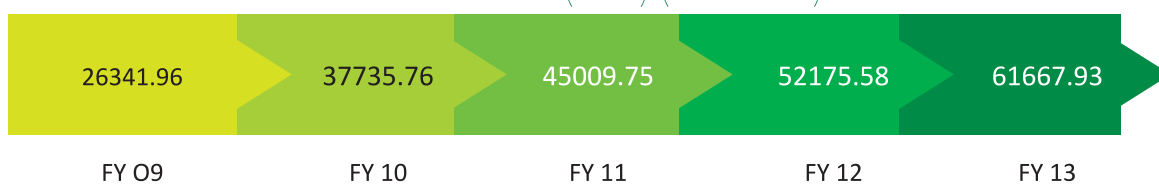
(Amount in Lacs, except EPS)

Description	FY 13	FY 12	FY 11	FY 10	FY 09	FY 08	FY 07
STATEMENT OF PROFIT AND LOSS							
Revenue from Operations (Net)	61667.93	52175.58	45009.75	37735.76	26341.96	19742.26	16801.83
Other Income	20.62	8.52	14.71	128.53	145.78	178.95	25.63
Total Revenue	61688.55	52184.10	45024.46	37864.29	26487.74	19921.21	16827.46
Increase/Decrease in Stocks	192.31	4669.48	1641.97	1135.98	2332.73	689.80	559.30
Expenditure	56856.23	43219.93	45321.32	37669.46	29515.11	21340.47	17982.02
Earnings before Depreciation, Interest and Tax (EBDITA)	6951.66	5644.78	4521.10	3653.55	2944.40	1969.94	1223.68
EBDITA Margins (%)	11.27	10.82	10.04	9.68	11.18	9.98	7.28
Profit before Tax	4640.01	4294.69	4126.11	3281.86	2415.34	1676.62	1011.47
Tax	1108.24	993.17	904.50	460.17	336.01	249.84	154.57
Profit after Tax (PAT)	3531.77	3301.52	3221.61	2821.69	2079.33	1426.78	856.90
Pat Margins (%)	5.7	6.3	7.2	7.5	7.9	7.2	5.1
Dividend - Equity	380.49	317.07	317.07	253.66	253.66	190.24	-
Tax on Distributed Profit	64.66	51.44	51.44	42.13	43.11	32.33	-
Retained Earnings	3086.62	2933.01	2853.10	2525.90	1782.55	1204.21	856.9
BALANCE SHEET							
Equity Capital	1268.3	1268.3	1268.30	1268.30	1268.30	1268.30	947.27
Share Application Money	-	-	-	-	-	-	-
Reserve & Surplus	19953.97	16948.41	14206.31	11353.22	8813.45	7030.89	2455.90
Net Worth	20858.75	17851.86	15125.43	12259.75	9,709.94	7,915.47	3,402.34
Borrowings	20005.57	15340.06	3804.22	2189.75	1379.78	1495.94	1378.98
Deferred Tax Liability (Net)	1018.11	289.81	204.92	168.11	139.83	101.87	58.21
Total Capital Employed	41882.43	33481.73	19134.57	14617.61	11229.55	9513.28	4839.53
Net Fixed Assets	18521.66	14322.44	9062.82	3259.01	2528.26	2005.75	1258.55
Investments	-	-	5.21	499.62	1717.24	1837.89	9.94
Miscellaneous Expenditure (to the extent not written-off)	363.52	364.85	349.18	361.77	371.81	383.72	0.83
Earning Per Share (Basics & Diluted)	27.85	26.03	25.40	22.25	16.37	11.75	9.05
Book Value	164.46	140.75	119.26	96.66	76.56	62.41	35.92

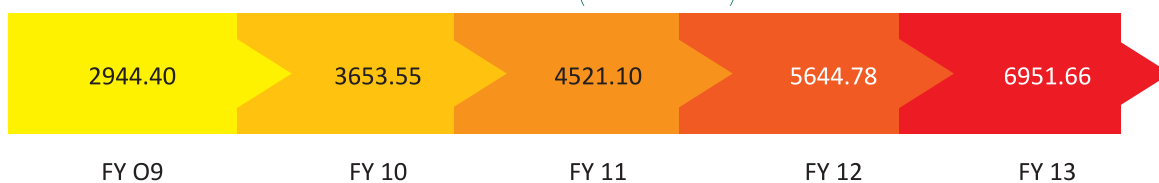


Financial Summary

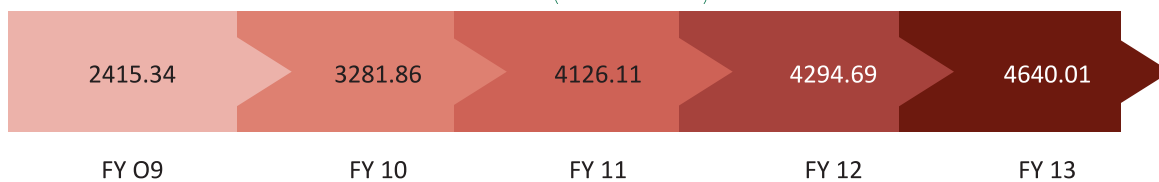
TURNOVER (NET) (₹ In Lacs)



EBDITA (₹ In Lacs)



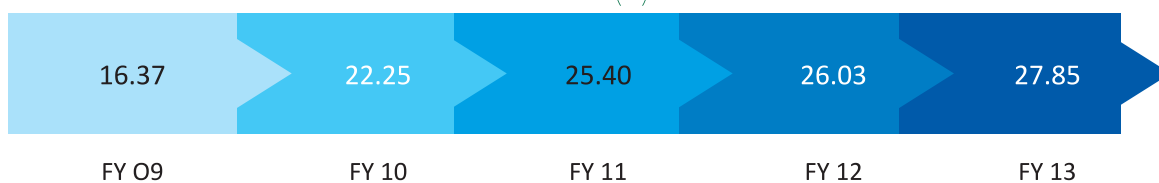
PBT (₹ In Lacs)



PAT (₹ In Lacs)



EPS (₹)



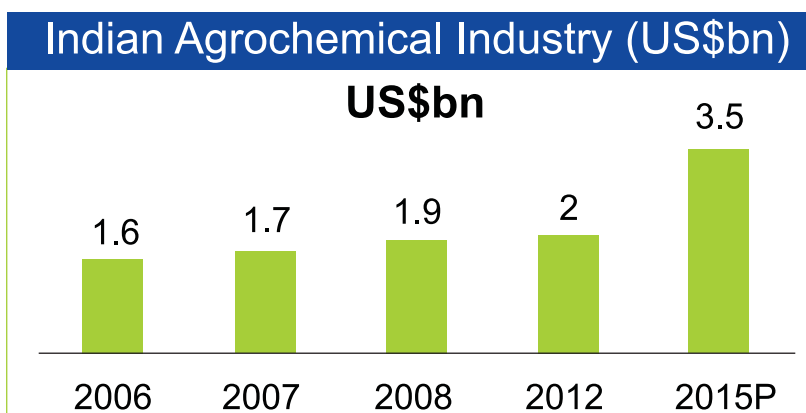
ACCELERATING THE GROWTH OF INDIAN AGRICULTURE



In the past few years, Indian agriculture has done remarkably well in terms of output growth. The 11th Five Year Plan (2007-12) witnessed an average annual growth of 3.6 per cent in the gross domestic product (GDP) from agriculture and allied sector. The growth target for agriculture in the 12th Five Year Plan is estimated to be 4 per cent. Indian agriculture is benefitting huge from rising external demand and the sector's wider participation in the global economy.

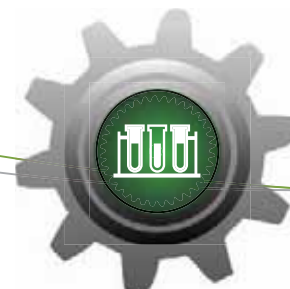
On the other hand the market for agrochemicals is expected to grow at the rate of 7.5% to reach USD 1.95 billion by FY14 and USD 3.5 billion by FY 15. The expected growth is supported by the fact that India's agrochemicals consumption is one of the lowest in the world with per hectare consumption of just 0.58 Kg compared to US (4.5 Kg/ha) and Japan (11 Kg/ha). This suboptimal and inadequate usage of agrochemicals incurs 20% to 30% crop losses every year.

(Source: FICCI & Indian Brand Equity Foundation.)



(Source: FICCI & Indian Brand Equity Foundation.)

PASSION TO INNOVATE



Innovation with awareness is going to be the key ingredient of success in future. Since inception, your company has been consistently working to provide the world class technology at competitive prices to the farmers. Your company backs its manufacturing capabilities with a dedicated In-House Research & Development Centre at Chopanki, Rajasthan. Approved by Department of Scientific and Industrial Research, the state-of-the-art R&D centre is equipped with latest machines & equipments. The R&D Center has also been accredited with NABL certification two years back.

Your company will be commencing a new R&D Centre in Joint Venture (JV) with the leading Japanese company, Otsuka Agri Techno Co. Ltd., at Chopanki, Rajasthan by end of FY 14. The objective of this new Research Venture will be to invent new agro chemical molecules in India for the international requirements. The research centre aims to invent 4-5 new molecules in next five years.



Mr. Isao Tada, Sr. Manager, OAT & IIL India Laboratories Pvt. Ltd., Mr. Rajesh Aggarwal, Managing Director, IIL, Mr. H. C. Aggarwal, Chairman, IIL, Mr. Akihei Mori, President & CEO, Otsuka, Japan and Mr. Tetsuya Imai, MD & CEO, OAT & IIL India Laboratories Pvt. Ltd. (From Left to Right)



In House R&D Center Chopanki, Rajasthan



Mr. Rajesh Aggarwal, Managing Director, IIL, shaking hands with Mr. Akihei Mori, President & CEO, Otsuka, Japan

EXPANDING THE PROTECTION SHIELD



Under the umbrella of Tractor Brand, your company has a panorama of about 110 products in over 600 different packaging. Your company enjoys a well established pan India presence with a network of about 4,000 distributors and over 55,000 dealers to cater to the needs of every farmer.

We offer integrated crop protection solutions including Insecticides, Herbicides, Weedicides and Plant Growth Regulators. Apart from developing own products, we have been constantly obtaining international brands for years. Today your company has a vibrant portfolio of international products like Thimet, Pulsor, Hakama and Nuvan.

With Technical Collaboration with American Vanguard Corporation, USA for Thimet and Nuvan and Marketing Tie up with Nissan, Japan for Pulsor and Hakama, your company is all set with the latest technology and international brands in the kitty.



Mr. Rajesh Aggarwal, Managing Director, IIL with Mr. Kiminori Hirata, Managing Director, Nissan Chemicals Industries Ltd., Japan, launching Pulsor and Hakama.



Mr. Rajesh Aggarwal, Managing Director, IIL with Amvac delegates during their recent visit



Launch of Pulsor and Hakama with Nissan Delegates.



MAXIMIZING OUTPUT



Today your company, has one of the largest formulation capacities among its peers in the country, with its 4 formulation plants with latest and ultra modern automated machines. Technical Synthesis Plant at Dahej which started production last year is now manufacturing more than 12 products of different streams. your company actively adopts the best international practices on environment, occupational health and safety. As a responsible company, III has adopted various eco friendly measures at its plants.

The year under review had 90630 MT of capacity of the formulation plants and 13800 MT capacities for technical plants. With approximately 90 % of the total supply is met by the production in the company's plants.



Technical Plant, Chopanki, Rajasthan



Formulation Plant, Chopanki, Rajasthan



Formulation Plant, Udampur, J&K



Formulation Plant, Samba, J&K



Formulation & Technical Plant, Dahej, Gujarat

BEARING THE SOCIAL RESPONSIBILITY



Owning the responsibility towards society, your company started school adoption project "Agla Kadam" in 2007. Beginning with one school in Bhatinda, today we have three schools in Punjab, two in Rajasthan and one in Odisha.

Under this program, we provide study materials like bags, copies, pencils, geometry boxes etc. besides other incidental helps to school and children. In 2012, we have also started "Victor Scholarship Scheme" for meritorious students.

An awareness campaign was started in the year 2009 by the name of Jagrukta Abhiyan, where by your company undertakes the responsibility to train the farmers on safe and judicious use of agrochemicals. We have been successfully able to touch more than 4 Lac farmers under this initiative.



Study material distribution at government school, Alike (Punjab)



School Adoption at Digapur (Odisha)



Farmer Awareness Programme

MESSAGE TO SHAREHOLDERS



Dear Friends,

Your company has always pursued its vision to provide the best products to Indian Farmers within their reach. With focus on Research and development, the year under review had one of the biggest milestones of signing a JV with Japanese giant, Otsuka Agritechno, to set up a dedicated R&D Facility, which will take us to next level in this direction. We look forward to provide new technology products to farmers here in India and internationally from this Research Venture.

With all plants working at their optimum capacities and overwhelming response to the international products like Pulsor, Hakama and Nuvan introduced in 2012, your company was able to make a mark in all spheres.

THE ANNUAL YIELD 2012-13



*The above percentage are on yearly basis.



I feel immense pleasure in announcing the achievements of your company through our annual report with the audited accounts for the year ended March 31, 2013. Your company has continued on its path of progress through the fiscal year 2012-13, said to be one of the toughest for Agriculture. The Company has put up a spirited performance with revenue growth of 18 % and EBITDA growth of 20% this year as compare to last year. In doing so, we have recorded net sales of ₹ 617 Crore and net profit of ₹ 35 Crore. Earnings per share stood at ₹ 27.85 and the Board of Directors has recommended a 30 % dividend for FY 13 for the approval of fellow shareholders.

Our drive to bring highly successful global brands in India has started showing potential. With Leading Brands from India and international space, today your company proudly holds the most adorable brands in its basket of products. With new technical plant at Dahej started last year, churning out 12 different technical grade products is a record in itself for the industry.

All these achievements have been made possible primarily by the untiring efforts of the employees of your Company who deserve to be applauded. I feel thankful to the fellow members on the Board for their valued guidance and direction. I also take this opportunity to convey my sincere thankfulness to our valued customers, partners, vendors, investors that provided unstinted support to the Company. I also assure you that 'Team IIL' will measure up to your expectations and strive to perform beyond them.

With best wishes

H. C. Aggrawal
Chairman

MILESTONES





MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Demand for food in India has far exceeded supply as a result of rising incomes and increasing population, while the supply is restricted due to low yield growth. Population is expected to increase by 1.2 bn to 1.4 bn by 2025(E), the demand supply gap is expected to accentuate in future, primarily due to continued increase in demand, and also there is a visible shift in the commercial basket to include high-value agricultural commodities, where high yields are an imperative rather than an option. Also 20-30% agriculture produce is lost every year due to pest, diseases, weeds, rodents etc which in monetary terms is equitant to \$20 bn every year, highest in the world. India is the 4th largest producer of the agro chemicals (by volume) after USA, Japan & China and 12th by value globally. Indian Agro chemical sector is expected to grow by CAGR of 12.9% during 2012-15.

(Source: FICCI & Indian Brand Equity Foundation)

OPPORTUNITIES AND OUTLOOK

India has about 190 mn hectares land of gross cultivated area, and the scope for bringing new areas under cultivation is severely limited, rather current cultivated land is shrinking due to urbanization. Therefore pressure of increasing the yield per hectare will tend to increase in the use of agro chemicals. With total of 30-40% of land under crop protection, there is a significant potential for growth in the agro chemical industry. The government is placing increased emphasis on growth of agriculture, which bodes well for the country's agrochemical industry. Government is taking all possible initiatives to put agriculture sector on growth radar of 4% in Twelfth Five Year Plan, up from 3.6% growth achieved in 2007-2012. Increase in the minimum support price (MSP) for farmers has also increased disposable income with them will benefit the consumption of agrochemicals.

(Source: FICCI & Indian Brand Equity Foundation)

RISKS, CONCERNS AND THREATS

With new era of agriculture, and advent of IPM technique, the use of Bio Pesticides and GM seeds have increased. In India Bt Seeds are widely used and the use of some insecticides may diminish but the scope of the insecticides for the sucking pests, herbicides and the plant growth regulators increases.

FINANCIAL REVIEW

(₹ In Lacs)

Particulars	Standalone			
	FY 2013		FY 2012	
	₹	%	₹	%
Total Turnover (Net)	61667.93	99.97	52175.59	99.98
Other Income	20.62	0.06	8.51	0.02
Total Income	61688.55	100.00	52184.10	100.00
Cost of Raw Material and Components Consumed	37119.1	60.17	37532.38	71.92
Purchase of Traded Goods	4157.77	6.74	2939.53	5.63
Decrease/(Increase) in Inventories of Finished Goods, WIP and Traded Goods	192.31	0.31	(4669.48)	(8.95)
Employee Benefits Expense	2683.78	4.35	1729.68	3.31
Other Expenses	10583.93	17.16	9007.21	17.26
Total Expenses	54736.89	88.73	46539.32	89.18
EBDITA	6951.66	11.27	5644.78	10.82
Depreciation and Amortization Expenses	576.46	0.93	235.66	0.45
Finance Costs	1735.19	2.81	1114.43	2.14
Profit before Tax (PBT)	4640.01	7.52	4294.69	8.23
Taxation	1108.24	-	993.17	-
Profit after Tax (PAT)	3531.77	5.73	3301.52	6.33
Earning per Share (₹)	27.85	-	26.03	-

Turnover Growth

The company achieved net turnover of ₹ 61667.93 Lacs in Current Year as against ₹ 52175.59 Lacs in the previous year. The stagnant growth in turnover was due to challenging industrial scenario in the country during the year under review.



Profit & Margin Growth

The profit before depreciation, interest and tax (EBDITA) was ₹ 6951.66 Lacs against ₹ 5644.78 in the previous year. The net profit was ₹3531.77 Lacs as compared to ₹ 3301.52 Lacs in the previous year.

Finance Costs

The finance cost has increased from ₹1114.43 Lacs to ₹1735.19 Lacs on account of higher interest rates and increased borrowings to meet working capital requirements and short term obligations. During the year, the company has undertaken a cost reduction decision and programme, which has resulted in all round saving in costs.

Capital Expenditure

During the year, the company has incurred in capital investment of ₹ 4199.22 Lacs towards factory buildings and plant & machinery.

Leverage and Liquidity

During the year, the company's net worth is ₹ 20858.75 Lacs and the total debt is ₹20005.57 Lacs. The debt equity ratio is 0.96:1.

INTERNAL CONTROL SYSTEM

The company has a well placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The company's internal control system comprises audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from M/s Devesh Parekh & Co. Chartered Accountants, the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

The Enterprise Risk Management framework and CEO and CFO certification as required under clause 49 of the Listing Agreement with Stock Exchanges for control testing pertaining to financial reporting, resulted in continuing improvement in internal control.

HUMAN RESOURCES

The Management aims to make the IIL an employer of choice and strive to be a progressive high performance group of enterprises.

Human Resource Management in the Company is committed for bringing about sustained growth, organizational effectiveness and individual satisfaction. Hence the HRM seeks to create a challenging and enjoyable work environment that enables employees to deliver their best, realize their full potential and fulfill their career aspirations at IIL through sound HR Practices.

The employees' job profiles are prepared keeping in view the skill and enhanced skill of the employees. They are made aware of the policies and HR manuals of the company for broad understanding of system and culture of the company and also about their entitlements, norms, rules and regulations, work ethics etc.

The employees are evaluated and reviewed on Key Result Areas to assess the skill and further scope and plan for enhancing the skill. Training need are identified to meet individual requirements through in-house training, on the job training and out-door training as a continuous process.

Career and progression is always felt important through employees' promotion and salary revision plan to make strong bonding and as an asset of the organization, so that system works on healthy delegation, employee engagement and succession plan in the best interest of the company.

RESEARCH & DEVELOPMENT

IIL driven by its passion for adhering to international quality standards and keeping in view competitiveness in the agrochemical market, the company has emphasized on product innovation, focused on identifying and manufacturing high value added complex new molecules. For the above purpose, the company has established an excellent In-House R&D centre recognized by DSIR under the Ministry of Science and Technology from April, 2004 and has completed seven years of its existence. Renewal of IIL In-House R&D unit recognition from DSIR has been accorded up to March 31, 2015.

Three process patents of PMIDA, MNIO and Acephate 50% + Imidacloprid 1.8% SP have been applied during this year. Thiodicarb, Profenofos, Acephate, 2,4-D Sodium Salt, 2,4-D Ethyl Ester, Tricyclazole, Pretilachlor, Bifenthrin, Metalaxyl and Chlorpyrifos processes have been registered by CIB and demonstration of the process of Diafenthiuron, Propargite, Transfluthrin, Fenpyroximate and Emamectin benzoate, Cartap hydrochloride, Buprofezin, Hexaconazole, Permethrin, Pendamethalin, Prallethrin, Methribuzin has been given to CIB for registration during the year 2012-13.

The MNIO project "A new approach for synthesis of an Import substitute 3-Methyl-N-nitroiminoperhydro-1,3,5-oxadiazine (MNIO), an intermediate for the manufacture of Thiamethoxam" was completed in March 2013 which was sanctioned by DSIR, Ministry of Science and Technology. Our Insecticides India Limited, Test Lab has been assessed and accredited in accordance with the standard ISO/IEC 17025:2005 (NABL certification). The company is also having collaboration with IARI for nano technology in pesticide formulation.



We have signed a joint venture with Otsuka Agritechno Company Limited, Japan, for setting up another dedicated R&D center for invention of new agrochemical molecules.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Environmental Policy for implementing an Environmental Management System (EMS) for meeting the content & purpose of organization's Environmental objectives, which take into account legal requirements and other requirements to which the organization subscribes and information about significant environmental aspects. 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 18001:1999 Amendment 1:2002 standard and measures stipulated for ensuring the conformance to the Occupational Health & Safety Management System, legal & statutory requirements, continual improvement and satisfaction of interested parties (i.e. customers, suppliers, employees and public).

CORPORATE SUSTAINABILITY

Owning its responsibility towards society, the company had started a CSR project "Agla Kadam" in Punjab and Rajasthan in 2007, where it has adopted villages to offer people the basic needs of life healthcare, education, women empowerment. It is undertaking various activities for them such as providing books and study material to children, giving scholarships and aid for schools, providing vocational education like stitching, embroidery etc. to girls and ladies for self-employment, providing technical education to farmers about new and latest technologies etc to increase their yield and improve their income. The company aims to adopt more villages in other parts of the country as well. Today company has 6 schools adopted in Punjab, Odisha and Rajasthan.

Identifying responsibility towards farmers, your company had also started a farmer awareness initiative "JAGRUKTA ABHIYAN", in 2009, where team of agri experts is deputed to train and help the farmers for better agricultural practices. This campaign was very well accepted by the farmers all across the country. This campaign is now running in mostly all the states, and we are happy to mention that we touched more than 1.5 lac farmers last year under this campaign.

CAUTIONARY STATEMENT

Certain statements in the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations may be forward-looking and are stated as required by applicable securities laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook.

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

(Hari Chand Aggarwal)

Chairman

DIN-00577015

Place : Delhi

Dated : July 26, 2013



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 16th Annual Report and the Audited Accounts for the financial year ended March 31, 2013.

1. FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Current Year March 31, 2013	Previous Year March 31, 2012
Revenue from Operations (Net)	61667.93	52175.58
Other Income	20.62	8.52
Total Income	61688.55	52184.10
Earnings before Interest, Depreciation & Taxation (EBIDTA)	6951.66	5644.78
Less: Finance Costs	1735.19	1114.43
Depreciation	576.46	235.66
Profit before Taxation (PBT)	4640.01	4294.69
Less: Current Tax	1109.94	908.28
Mat Credit Entitlement	(730.00)	Nil
Deferred Tax	728.30	84.89
Profit after Tax (PAT)	3531.77	3301.52
Amount Available for Appropriation	15960.81	13127.70
Proposed Final Dividend	380.49	317.07
Income Tax on the Proposed Final Dividend	64.66	51.44
Transfer to General Reserve	464.00	330.15
Balance carried forward to Balance Sheet	15051.66	12429.04

2. REVIEW OF PERFORMANCE

During the year under review, the net turnover of the company rose to ₹ 61667.93 Lacs as against ₹ 52175.58 Lacs reported last year, registering a growth of 18%. The Company has earned net profit ₹ 3531.77 Lacs, as against the net profit of ₹ 3301.52 Lacs reported last year, registering a growth of 7%. 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

The Board of Directors has recommended a final dividend of ₹ 3.00 per Equity Share for the year 2012-13 (Previous year ₹ 2.50 per Equity Share). The final dividend, if approved at the ensuing Annual General Meeting will be paid to all those Equity Shareholders whose name appear on the Register of Members as on August 19, 2013. The amount of dividend and the tax thereon aggregates to ₹ 380.49 Lacs and ₹ 64.66 Lacs.

4. FIXED DEPOSITS

The Company continues to accept the deposits under Section 58-A and 58AA of the Companies Act, 1956, and as on March 31, 2013 there was no overdue deposit with the Company. At the end of the year, there were no unclaimed, unpaid or overdue deposits.

5. 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.

6. SUBSIDIARY COMPANY

During the year, there is no any subsidiary company (ies) of the Company.

7. DIRECTORS

Presently your Board constitutes of 8 (Eight) Directors comprising of Mr. Hari Chand Aggarwal as Chairman, Mr. Rajesh Aggarwal as Managing Director, Mrs. Nikunj Aggarwal as Whole time Director, Mr. Virjesh Kumar Gupta, Mr. Navneet Goel, Mr. Gopal Chandra Agarwal, Mr. Navin Shah and Mr. Anil Kumar Singh being the Independent & Non-executive Directors.

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and in accordance with Article 89 of the Articles of Association of the Company, Mr. Anil Kumar Singh and Mr. Navin Shah, Directors of the Company who retires by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.



Details of the Directors seeking re-appointment as required under Clause 49(VI) of the Listing Agreement entered into with the Stock Exchanges are provided in the Notice forming part of this Annual Report.

Mr. Virjesh Kumar Gupta appointed as an Additional Director with effect from September 25, 2012. They hold office up to the date of ensuing Annual General Meeting. Mrs. Nikunj Aggarwal appointed as a Whole-time Director with effect from May 2, 2013. The Board is of the opinion that their association with the company will be beneficial to the company and hence recommend the resolutions for yours approval.

Mr. Rajender Pershad Gupta resigned from the Board with effect from September 25, 2012 due to not better health and Mr. Sanjeev Bansal resigned from the Board with effect from May 1, 2013 due to increased own business growth. Your directors wish to place on record their sincere appreciation of valuable advice received from them during their tenure as Directors.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 274(1)(g) of the Companies Act, 1956.

8. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) 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;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts on a going concern basis.

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

9. CORPORATE GOVERNANCE

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance.

A report on the Corporate Governance practices followed by the Company, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are attached to this report.

10. AUDITORS AND AUDITORS' REPORT

The Company recommends the appointment Messer Mohit Parekh & Co., Chartered Accountants, Statutory Auditors of the Company, subject to the approval of Members at the ensuing Annual General Meeting. The Company has received a letter from Messer Mohit Parekh & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the said Act. The Auditors have also confirmed that they hold a valid certificate issued by the 'Peer Review Board' of Institute of Chartered Accountants of India (ICAI).

The notes on accounts referred to the Auditors' Report are self-explanatory and therefore do not call for any further comments.

11. COST AUDITORS

M/s A.G.S. & Associates, Cost Accountants were re-appointed as Cost Auditors of the Company for conducting audit of the cost accounts maintained by the Company in respect of Insecticides for the year 2013-14.

The cost audit report for the financial year 2011-12 issued by M/s A.G.S. & Associates, Cost Auditors, was filed with the Ministry of Corporate Affairs (MCA) on timely.

12. FOREIGN COLLABORATION AND JOINT VENTURE

During the year, your company has tied-up with Nissan Chemical Industries, Ltd. (Japan) for marketing of their product (Hakama) in India and also entered in technical collaboration with US-based M/s American Vanguard Corporation (AMVAC) regarding manufacturing and marketing of their product (NUVAN) in India.

Your Company has also entered in to joint venture (JV) with M/s Otsuka AgriTechno Co. Ltd (OAT), Japan to set up a new research and development (R&D) Centre at Chopanki (Rajasthan) for new products in the country.

13. COMMENCEMENT OF PRODUCTION

During the year, your company has commenced the production in the new established technical plant situated at Dahej (Gujarat).



14. CORPORATE SOCIAL RESPONSIBILITY

The Company is contributing to sustainable development by its economic activities combined with the fulfillment of its social responsibilities relating to the education, health, safety and environment aspects.

15. INSURANCE

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

16. THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED

No Employee, other than Mr. Rajesh Aggarwal, Managing Director of the Company draw remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employess) Rules, 1975 as amended. Requisite details of remuneration paid to Mr. Rajesh Aggarwal (From April 2012 to March 31, 2013 pursuant to the said provisions, is as details herein:

Name	Rajesh Aggarwal
Designation	Managing Director
Age	43 Years
Salary	₹ 63 Lacs
Qualification	B.Com & Diploma in "Marketing & Formulation of Pesticides)"
Total Experience	More than 20 Year
Previous Employment	HIM Pulverizing Mills Limited

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

17. ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

A Statement containing necessary information, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto.

18. CASH FLOW ANALYSIS

The Cash Flow Statement for the year under reference in terms of Clause 32 of the Listing Agreement with the Stock Exchanges is annexed hereto.

19. APPRECIATION

The Directors wish to thank Creditors, Investors, Banks and Government Authorities for their continued support. The Directors also wish to place on record their deep sense of gratitude for the committed services of the Executives Staff and Workers of the Company.

We would also like to express sincere thanks to our Shareholders for their confidence and understanding.

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

(Hari Chand Aggarwal)
Chairman
DIN-00577015

Place : Delhi
Dated : July 26, 2013



ANNEXURE TO THE DIRECTORS' REPORT (Under Section 217(1)(e) of the Companies Act, 1956)

Information as required u/s 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is set out as under:

A. Conservation of Energy

i) Energy Conservation Measures Taken

Energy conservation efforts are ongoing activities. During the year under review, further efforts were made to ensure optimum utilization of fuel and electricity. Employee awareness was created on how to use fuel and electricity energy efficiently by adopting good shop floor practices.

- ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : Nil
- iii) Impact of measures at (i) & (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods. Nil
- iv) Total energy consumption and energy consumption per unit of production as per Form 'A'

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

I. Power and Fuel Consumption Analysis

Particulars		Current Year	Previous Year
Electricity			
a) Purchase - Chopanki Unit			
Units		85056	243238
Total Amount	(₹ In Lacs)	7.97	13.59
Average Rate/Unit	(₹)	9.37	5.59
b) Purchase - Samba Unit			
Units		277825	368185
Total Amount	(₹ In Lacs)	13.28	13.94
Average Rate/Unit	(₹)	4.78	3.79
c) Purchase - Technical Plant (Chopanki)			
Units		1194984	450780
Total Amount	(₹ In Lacs)	72.22	47.84
Average Rate/Unit	(₹)	6.04	10.61
d) Purchase - Dahej Unit			
Units		4537800	61638
Total Amount	(₹ In Lacs)	345.63	4.11
Average Rate/Unit	(₹)	7.62	6.67
e) Purchase - Udhampur Unit			
Units		55880	Nil
Total Amount	(₹ In Lacs)	7.45	Nil
Average Rate/Unit	(₹)	13.33	Nil
f) Own Generation - Chopanki Unit (Through Diesel Generator)			
Unit	Ltr.	11591	14150
Total Amount	(₹ In Lacs)	4.91	5.60
Average Rate/Unit	(₹)	42.36	39.57
g) Own Generation - Samba Unit (Through Diesel Generator)			
Unit	Ltr.	38500	31000
Total Amount	(₹ In Lacs)	16.92	12.93
Average Rate/Unit	(₹)	43.95	41.72
h) Own Generation - Technical Plant (Chopanki) (Through Diesel Generator)			
Unit	Ltr.	34590	27450
Total Amount	(₹ In Lacs)	14.50	10.80
Average Rate/Unit	(₹)	41.91	39.34



i)	Own Generation - Udampur Unit (Through Diesel Generator)			
	Unit	Ltr.	34574	15600
	Total Amount	(₹ In Lacs)	10.84	6.66
	Average Rate/Unit	(₹)	31.35	42.72
j)	Own Generation - Dahej Unit (Through Diesel Generator)			
	Unit	Ltr.	72051	9078
	Total Amount	(₹ In Lacs)	35.08	4.20
	Average Rate/Unit	(₹)	48.69	46.22
k)	Own Generation - Dahej Unit (Through Gas)			
	Unit	SCM	1723277	49313
	Total Amount	(₹ In Lacs)	625.10	12.67
	Average Rate/Unit	(₹)	36.27	25.70
	Coal (Quantity)			
	Total Cost & Average Rate		Nil	Nil
	Furnace Oil (KL.)			
	Total Cost & Average Rate		Nil	Nil
	Other/Internal Generation (MT)			
	Total Cost & Average Rate		Nil	Nil

II. Consumption per unit of production

The Company is a multi-divisional unit, producing a variety of products, proper allocation of energy cannot be ascertained.

B. Technology absorption and Research & Development

i) Technology Absorption

- The Company has entered in to technical know-how collaboration from foreign organization.
- Product improvements have and will continue to result in improved productivity and cost reduction and this will result in improving the profitability of the Company.

ii) Research and Development (R&D)

- Specific areas in which R&D carried out:
 - Improvement in the overall process, quality of Pesticides and Insecticides
 - Process development for manufacturing of molecules
- Benefits derived as a result of the above R&D
 - Improvement in Product Quality
 - Process development work has resulted in cost and time reduction
 - The company has been able to launch products viz, Hakama and Numan
- Future Plan of Action
 - Development of new Products and Process
- Expenditure on R&D

Particulars	Amount (₹ In Lacs)
Capital	173.57
Recurring	117.93
Total	291.50
Total R&D Expenditure as a percentage of the Turnover	0.47

C. Foreign Exchange Earning & Outgo

- Information relating to export is contained in the Director's Report
- Total Foreign Exchange used and earned



Particulars	Amount (₹ In Lacs)
Foreign Exchange Used	
(On Accrual Basis)	
Professional Charges	8.55
Sales Promotion	1.53
Tour & Travelling	3.73
Royalty	194.02
Interest	423.20
(On CIF Basis)	
Raw Materials	12379.21
Machinery	24.12
Total	13034.36
Foreign Exchange Earned	
Export Sales	18.47

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

(Hari Chand Aggarwal)
Chairman
DIN-00577015

Place : Delhi
Dated : July 26, 2013



REPORT ON CORPORATE GOVERNANCE

Your Company has been practicing the principle of good Corporate Governance, which comprises all activities that result in the control of the company in a regular manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:

COMPANY'S PHILOSOPHY

The Company's Philosophy on Corporate Governance as adopted by its Board of Directors is to:

- Ensure that the quantity, quality and frequency of financial and managerial information, which the management shares with the Board, fully places the Board Members in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential Investors is maximized.
- Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committees thereof.
- Ensure that the Board, the Management, the Employees and all concerned are fully committed to maximizing long-term value to the Shareholders and the Company.
- Ensure that the core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other world class company in operating practices.

I. BOARD OF DIRECTORS

(A) Composition of Board

As on March 31, 2013, Board of the Company comprises of 8 (Eight) Directors, of which 3 (Three) are Executive Directors and rest 5 (Five) are Independent/Non-executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement and category wise details as follows:

Category of Directors	Number of Directors	Percentage (%) to Total no. of Directors
Executive Directors	3	38
Independent/Non-executive Directors	5	62
Other	Nil	Nil
Total	8	100

There is no nominee director, appointed by any Financial Institution/Bank on the Board.

Independent/Non-executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2012-13 which may affect their judgments in any manner. As on March 31, 2013, the composition of the Board of Directors was as under:

Sl.No.	Directors	Category	No. of Outside Directorship	
			Companies	Committees
1	Mr. Hari Chand Aggarwal*	Chairman cum Whole-time Director	None	None
2	Mr. Rajesh Aggarwal	Managing Director	None	None
3	Mr. Sanjeev Bansal	Whole-time Director	None	None
4	Mr. Navneet Goel	Independent/Non-executive Director	None	None
5	Mr. Virjesh Kumar Gupta**	Independent/Non-executive Director	None	None
6	Mr. Gopal Chandra Agarwal	Independent/Non-executive Director	1	None
7	Mr. Navin Shah	Independent/Non-executive Director	None	None
8	Mr. Anil Kumar Singh	Independent/Non-executive Director	None	None

*During the year under review, Mr. Hari Chand Aggarwal has re-appointed as Chairman cum Whole-time Director for a further 5 (Five) years with effect from October 1, 2012 in the Board of Directors Meeting held on September 25, 2012 subject to consent of shareholders in the ensuing General Meeting.

**During the year under review, Mr. Virjesh Kumar Gupta has appointed as an additional director of the company and Mr. Rajender Pershad Gupta has resigned from directorship with effect from September 25, 2012.

#Your company has accepted the resignation of Mr. Sanjeev Bansal from Whole-time Directorship with effect from May 1, 2013 and in the Board of Directors meeting held on May 2, 2013, Mrs. Nikunj Aggarwal has appointed as a Whole-time Director of the company for a period of 5 (Five) years with effect from May 2, 2013 subject to consent of shareholders in the ensuing General Meeting.



- (B) Information as required under Clause 49(vi) of the Listing Agreement in respect of Directors being re-appointed forms part of the notice of the ensuing Annual General Meeting.

(C) Independent/Non-executive Directors' Disclosures

All sitting fees paid to Independent/Non-executive Directors, shall be fixed by the Board of Directors and as reviewed by the Remuneration Committee.

No stock options were granted to Independent/Non-executive Directors during the year under review.

(D) Meetings and Attendance of the Board

During the financial year 2012-13, 8 (Eight) Board Meetings were held. The dates on which the said meetings were held are as follows:

Month	Date
May	May 26, 2012 (Two)
August	August 13, 2012
August	August 29, 2012
September	September 25, 2012
November	November 7, 2012
January	January 7, 2013
February	February 11, 2013

The Last Annual General Meeting of your company was held on September 25, 2012.

None of the Directors of the Board serve as members of more than 10 (Ten) committees nor do they chair more than 5 (Five) committees as per the requirements of the Listing Agreement with the Stock Exchanges.

The attendance of each director at these meetings is as follows:

S. No.	Members	No. of Board Meetings Attended	AGM held on September 25, 2012 Attended
1	Mr. Hari Chand Aggarwal	8	Yes
2	Mr. Rajesh Aggarwal	8	Yes
3	Mr. Sanjeev Bansal	8	Yes
4	Mr. Rajender Pershad Gupta	3	Yes
5	Mr. Navneet Goel	8	Yes
6	Mr. Gopal Chandra Agarwal	8	Yes
7	Mr. Navin Shah	7	Yes
8	Mr. Anil Kumar Singh	8	Yes
9	Mr. Virjesh Kumar Gupta	3	No

(E) Information Supplied to the Board

In terms of quality and importance, the information supplied by management to the Board of Insecticides (India) Limited is far ahead of the list mandated under Clause 49 of the Listing Agreement.

(F) 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, 1956 read with the Rules issued thereunder and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

During the year, the Board periodically reviewed compliance report with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

(G) 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/Non-executive Directors 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 on March 31, 2013. The annual report of the company contains certificate duly signed by the Managing Director & CEO.



(H) Relationship among the Directors

S. No.	Name of Directors	Relationship with other Directors
1	Mr. Hari Chand Aggarwal	Father of Mr. Rajesh Aggarwal and Father in law of Mr. Sanjeev Bansal
2	Mr. Rajesh Aggarwal	Son of Mr. Hari Chand Aggarwal and Brother in law of Mr. Sanjeev Bansal
3	Mr. Sanjeev Bansal	Son in law of Mr. Hari Chand Aggarwal and Sister's husband of Mr. Rajesh Aggarwal

(I) Insider Trading Policy

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (SEBI), the Company has adopted Code of Conduct for Prevention of Insider Trading. The Company inter alia, observes closed period of trading, prohibition on dealing, communicating or counseling and policy on disclosure as well.

II. Audit Committee

The Board has established an Audit Committee.

(A) Qualified and Independent Audit Committee

The Company complies with the provisions of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement pertaining to the Audit Committee. Its composition and functioning is as under:

- The Audit Committee consists of the 3 (Three) directors as members and all of them are Independent/Non-executive Directors.
- All members of the committee are financially literate and present Chairman Mr. Navneet Goel is having the requisite financial management expertise.
- The Chairman of the Audit Committee is an Independent/Non-executive Director.
- The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 25, 2012.
- The Statutory Auditors including his representatives and such other person and official of the company are invited to attend the Audit Committee meetings as and when required.
- The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

(B) Meeting of the Audit Committee

During the year under review, the Audit Committee was reconstituted. During the financial year, the Audit Committee met (6) Six times: May 26, 2012, August 13, 2012, August 29, 2012, September 25, 2012, November 7, 2012 and February 11, 2013. The Audit Committee Meetings were held at the Registered Office and other places. The proper quorum was present in all the Audit Committee Meetings held during the year.

The composition of the Audit Committee and number of meetings attended by the Members are given below:

Name of Member	Composition of the Audit Committee	Number of Meetings Attended
Mr. Navneet Goel	Chairman	6
Mr. Gopal Chandra Agarwal	Member	6
Mr. Anil Kumar Singh	Member	6

(C) Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Role of Audit Committee

The role of the Audit Committee includes the following:

- o Review of the Company's financial reporting process, the financial statements and financial/risk management policies.
- o Recommend the Board on appointment/re-appointment of statutory auditors and fixation of audit fee and other fees to auditors.
- o Review of the adequacy of the internal control systems in the Company.
- o Review of the internal audit report.
- o Discussions with management of the external auditors, the audit plan for the financial year and joint post audit review of the same.



- o Review of the quarterly and annual financial statements before submission to the Board.
- o Disclosure of contingent liabilities.
- o Review the quarterly and half yearly financial results and the annual financial statements before they are submitted to the Board of Directors.
- o Review of compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions.
- o To carry out any of the functions contained in the Corporate Governance Clause of the Listing Agreement.
- o To appointment of cost auditors and fixation of audit and other fees of such auditors.

(E) Review of Information by Audit Committee

The Audit Committee has reviewed the following information during the year:

1. Management Discussion and Analysis of financial condition and results of operations of the Company.
2. The reports of Statutory Auditors.
3. The reports of Internal Audit.
4. The reports of Cost Auditors.

III. Subsidiary Company(ies)

During the year under review, there have no subsidiary company(ies) of the Company.

IV. Remuneration Committee

During the year, the Remuneration Committee was reconstituted and presently comprises of 3 (Three) members Mr. Virjesh Kumar Gupta was the Chairman of the Committee and Mr. Gopal Chandra Agarwal and Mr. Navin Shah were other members, all of them being Independent/Non-executive Directors. Mr. Rajender Pershad Gupta was a chairman of the committee before accepted his resignation from directorship of the company and chairmanship from the committee. The Committee have met (2) Two times for review and discussion on remuneration of senior management and also review and discussion on remuneration alongwith other terms & conditions for re-appointment of Chairman cum Whole-time Director. The Company Secretary (who is also the Compliance Officer) was also present. The Committee is responsible for considering and approving the remuneration and commission of the Managing/ Executive Directors and recommending the fees and commission payable, if any, to the Non-executive Directors.

V. Investors Grievance/Transfer Committee

During the year, the Investors Grievance/Transfer Committee was reconstituted and presently comprises of 3 (Three) members Mr. Gopal Chandra Agarwal was the Chairman of the Committee and Mr. Virjesh Kuamr Gupta and Mr. Anil Kumar Singh were other members, all of them being Independent/Non-executive Directors. Mr. Rajender Pershad Gupta was a member of the committee on September 25, 2012.

During the year under review, the committee met (6) Six times to review the investors' services rendered. Members were present at the meeting. The Company Secretary (who is also the Compliance Officer) was also present.

All physical transfers of shares as well as requests for dematerialisation/rematerialisation have been in the meeting.

During the year under review, 6 (Six) complaints were received, all of which were responded to/resolved complains and details of complaints are as follows:

Sl. No.	Nature of Complaints	Received	Resolved	Pending
1	Non-receipt of Dividend Warrants in respect of Shares	2	2	Nil
2	Non-receipt of Annual Report	4	4	Nil
	Total	6	6	Nil

VI. Disclosures

(A) Basis of Related Party Transactions

Transactions with related parties are disclosed in notes to the accounts in detail.

(B) Disclosure of Accounting Treatment

There has not been any change in accounting policies of the Company.

(C) 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.



(D) Remuneration of Directors

- i) Remuneration was paid to the Executive Directors during the year.
- ii) Sitting Fees was paid to the Independent/Non-executive Directors.
- iii) The Independent/Non-executive Directors have disclosed that they do not hold any shares and / or any convertible instruments in the company except Mr. Gopal Chandra Agarwal and he is holding the shares of the Company alongwith dependents. The Company has fulfilled all compliances for holding the said shares.
- iv) There was new appointment of Independent/Non-executive Directors on the Board of Directors of the Company during the year under review.
- v) There has been no pecuniary relationship or transactions of the Independent/Non- executive Directors vis-à-vis the Company during the year under review.
- vi) The Register of Contracts maintained by the Company under Section 301 of the Companies Act, 1956, contains record of the transactions entered in this register. The register is signed by all directors present in Board of Directors Meeting.

•Remuneration and Sitting Fees paid/payable to the Directors during the year 2012-13:

(₹ in Lacs)

S.No.	Name of Directors	Salary & Perquisites	Sitting Fees	Total
1.	Mr. Hari Chand Aggarwal	56.70	-	56.70
2.	Mr. Rajesh Aggarwal	63.00	-	63.00
3.	Mr. Sanjeev Bansal	6.30	-	6.30
4.	Mr. Rajender Pershad Gupta	-	0.45	0.45
5.	Mr. Navneet Goel	-	1.20	1.20
6.	Mr. Gopal Chandra Agarwal	-	1.20	1.20
7.	Mr. Navin Shah	-	1.20	1.20
8.	Mr. Anil Kumar Singh		1.05	1.05
9.	Mr. Virjesh Kumar Gupta		0.45	0.45

Notes: Salary and Perquisites include all elements of remuneration i.e. Salary, Allowances, Incentive and Benefits. The Company has not issued any stock options to any of the Directors. The term of Executive Directors does not exceed 5 (Five) years.

(E) Whistle Blower Policy

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

(F) Compliances

i) Mandatory Requirements

Compliance Report of IIL with the applicable mandatory requirements of Clause 49 is as under:

Particulars	Clause of Status Yes/No	Compliance	Remarks
I. Board of Directors	49 I		
(A) Composition of Board	49(IA)	Yes	
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	Yes	
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	
D) Code of Conduct	(49 (ID)	Yes	
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee		Yes	
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	



Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
III. Subsidiary Companies	49 (III)	No	There have no any Subsidiary Company
IV. Disclosures	49 (IV)		
(A) Basis of Related Party Transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (IV D)	N.A	The Company was not any further issue of shares
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

ii) Non-mandatory Requirements

The Company had not adopted the non-mandatory requirements as mentioned in the Clause 49.

(G) Management

i) Management Discussion and Analysis

This is given as a separate chapter in the Annual Report.

ii) Warning against Insider Trading

Comprehensive guidelines in accordance with SEBI regulations are in place. The Code of Conduct and corporate disclosure practices framed by the company have helped in ensuring compliance with the requirements.

(H) Other Information

i) CEO and CFO Certification

The Managing Director (CEO) and CFO (Chief Financial Officer) have certified to the Board of Directors of the Company that:

- They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - these financial results and statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading, and
 - these financial results and 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.
- there are, to the best of my knowledge and belief, no transactions entered into by the company during the quarter and year, which are fraudulent, illegal or violative of the company's code of conduct.
- They accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps that I have taken or propose to take to rectify the identified deficiencies

The other information on Corporate Governance Report for the benefit of shareholders is as under:

GENERAL BODY MEETINGS

Location and time of General Meetings held in the last 3 years:

Year	Type	Date	Venue	Time
2010	AGM	August 23, 2010	M.P.C.U. Shah Auditorium, Civil Lines, Delhi - 110054	11.30 A.M.
2011	AGM	August 26, 2011	M.P.C.U. Shah Auditorium, Civil Lines, Delhi - 110054	12.30 P.M.
2012	AGM	September 25, 2012	M.P.C.U. Shah Auditorium, Civil Lines, Delhi - 110054	4.30 P.M.

The Special Resolutions were passed in the Annual General Meeting 2010 & 2011 and any special resolution was not passed in the Annual General Meeting 2012.



Postal Ballot

During the year, the Company has not passed any resolution through postal ballot.

Means of Communication

- (i) Website: The Company's official news and other important investor related information are periodically displayed and updated on the company's website; viz. www.insecticidesindia.com
- (ii) Presentation made to Institutional Investors or to the Analysts: Not Applicable.

Details of Capital Market Non-compliance, if any

There has been no non-compliance by the company of any legal requirements, nor has there been any penalty, stricture imposed on the company by any Stock Exchange, SEBI or any Statutory Authority on any matter related to capital market during the year.

Communication to Shareholders

Quarterly, half-yearly and annual financial results have been published in numerous leading dailies, such as Business Standard (English), Business Standard (Hindi), Mint (English), Rastriya Sahara (Hindi) and other magazines related capital markets along with the official press releases.

Report on Corporate Governance

This chapter, read together with the information given in the chapters on Management Discussion & Analysis and Additional Shareholders Information, constitute the compliance report on Corporate Governance.

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 Clause 49 of the Listing Agreement. This certificate is attached with the Directors' Report and will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

- | | | |
|---------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Date, Time and Venue | : | Friday, August 27, 2013
9.30 A.M.
M. P. C. U. Shah Auditorium,
Civil Lines, Delhi - 110 054 |
| (ii) Financial Year | : | April 01, 2012 to March 31, 2013 |
| (iii) Financial Calendar 2013-14 | : | |
| Un-audited first quarter financial results | : | Second week of August, 2013 |
| Un-audited second quarter financial results | : | Second week of November, 2013 |
| Un-audited third quarter financial results | : | Second week of February, 2014 |
| Audited annual results | : | Last week of May, 2014 |
| Annual General Meeting | : | August, 2014 |
| (iv) Dividend | : | The Board of Directors have proposed a dividend of ₹ 3.00 (30%) per equity share for the financial year 2012-13, subject to approval by the shareholders in the ensuing Annual General Meeting. |
| (v) Date of Book Closure | : | August 19, 2013 to August 27, 2013
(Both days inclusive) |
| (vi) Payment of Dividend | : | Dividend will be paid within 30 days from the date of declaration through account payee/non-negotiable instruments or through the electronic clearing service (ECS), as notified by the SEBI through the Stock Exchanges. |
| (vii) Listing of Equity Shares | : | Bombay Stock Exchange Ltd. (BSE)
P.J. Towers, Dalal Street, Mumbai - 400 001
The National Stock Exchange of India Ltd. (NSE) "Exchange Plaza" Bandra Kurla Complex, Bandra(E), Mumbai - 400 051
Annual listing fee for the year 2013-14, has been paid by the Company to BSE and NSE.
Annual custodian charges of Depository have also been paid to NSDL and CDSL. |
| (viii) Stock Code | : | 532851-Bombay Stock Exchange Ltd.
INSECTICID- The National Stock Exchange of India Ltd. |
| (ix) ISIN No. | : | INE 070I01018 |



(x) Registrar and Share Transfer Agent

Alankit Assignments Limited
(Unit: Insecticides (India) Limited)
Alankit House
2E/21, Jhandewalan Extension,
New Delhi - 110 055
Tel No. (011) 4254 1234/234 1234
Fax No. (011) 4254 1967
Email: rta@alankit.com

(xi) Share Transfer System

Shares lodged for transfer at the Registrar's address are normally processed and approved by Investors Grievance/ Transfer Committee as and when required.

(xii) Dematerialisation and Re-materialisation of Shares

During the year under review, 103 shares were re-materialised.

(xiii) Share held in Physical and Electronic mode as on March 31, 2013

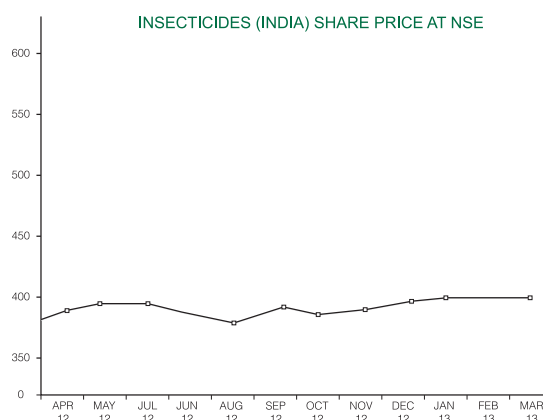
Particulars	No. of Shares	% to Total Shareholding
Physical	557	0.01
Demat		
NSDL	12197823	96.17
CDSL	484586	03.82
Sub-Total	12682509	99.99
Total	12682966	100.00

(xiv) Stock Market Data & Share Price Performance in Comparison to Board Based Indics

The Company (IIL) vs BSE & NSE

Month 2012	BSE		NSE	
	High	Low	High	Low
April	425.00	404.00	420.80	401.00
May	412.00	379.00	424.90	375.10
June	420.40	393.00	424.00	388.70
July	420.00	361.50	414.20	362.35
August	421.50	356.40	405.75	386.10
September	442.50	390.75	443.00	386.05
October	434.00	401.40	424.90	391.10
November	429.00	392.25	426.80	373.95
December	419.50	393.30	447.65	395.00
2013				
January	428.95	406.00	425.80	406.00
February	421.00	388.00	416.80	386.00
March	418.00	374.00	416.80	386.00

(Source: BSE & NSE website)



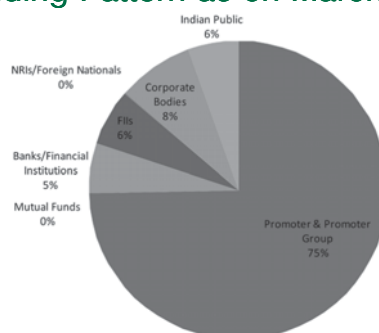


(xv) Distribution of Shareholdings

Share Ownership Pattern as on March 31, 2013

Category	No. of Shares Held	% of Share-holding
Promoter and Promoter Group	9472700	74.69
Mutual Funds	Nil	Nil
Banks / Financial Institutions	676116	Nil
FII's	786169	5.92
NRIs / Foreign Nationals	15203	0.14
Corporate Bodies	1034383	10.29
Indian Public	698395	8.96
TOTAL	12682966	100.00

INSECTICIDES (INDIA) LIMITED
Shareholding Pattern as on March 31, 2013



Promoters Shareholding as on March 31, 2013

Name of Shareholder	No. of Shares Held	% to Total Shareholding
Mr. Rajesh Aggarwal	3528600	27.82
Ms. Pushpa Aggarwal	1434600	11.31
Rajesh Aggarwal (HUF)	1302000	10.27
Hari Chand Aggarwal (HUF)	996000	7.85
Ms. Nikunj Aggarwal	750000	5.91
Mr. Hari Chand Aggarwal	615600	4.85
Master Sanskar Aggarwal	601200	4.74
ISEC Organics Limited	169700	1.34
Ms. Kritika Aggarwal	75000	0.59

Top Ten (10) Public Shareholding as on March 31, 2013

Name of Shareholder	No. of Shares Held	% to Total Shareholding
Life Insurance Corporation of India	675000	5.32
Acacia Partners, LP	273830	2.16
Zealous Financial Services Private Limited	200363	1.58
Acacia Institutional Partners, LP	157114	1.24
Acacia Conservation Fund, LP	133000	1.05
SMC Global Securities Limited	125274	0.99
Acacia Banyan Partners	112900	0.89
Competent Finman Private Limited	70168	0.55
United Air Products Private Limited	60413	0.48
United Air Products Private Limited	57500	0.45
Fiducian India Fund	52490	0.41



Shareholding Pattern by Size

Category (No. of Shares)	Holders	Shares Held	% age
1 - 100	3655	120876	0.95
101 - 500	924	233262	1.84
501 - 1000	140	103757	0.82
1001 - 5000	76	176022	1.39
5001 - 10000	13	94502	0.75
10001 - 20000	6	84117	0.66
20001 - 30000	5	121240	0.96
30001 - 40000	6	211038	1.66
40001 - 50000	2	95000	0.75
50001 - 100000	6	367971	2.90
100001 - 500000	7	1172181	9.24
500001 - Above	8	9903000	78.08
Total	4848	12682966	100.00

(xvi) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity

The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

(xvii) 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.

(xviii) Compliance Audit

During the year under review, the Company has conducted the compliance audit on every quarter basis by a law firm M/s Corporate Professionals Private Limited.

(xix) Plant Locations

Presently, your company is engaged in a manufacturing and marketing in agro chemicals and having 5 (Five) 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 (J&K)
4. II D, Centre Battal Ballian, Udhampur (J&K)
5. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch (Gujarat)

(xx) Address for Correspondence

Investors and Shareholders can correspond with the Registered 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
Tele Fax No. (011) 2767 1990 - 04
Email - investor@insecticidesindia.com



Declaration by Chief Executive Officer (CEO)

I, Rajesh Aggarwal, Managing Director & CEO of Insecticides (India) Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2013 compliance with the Code of Conduct of the Company laid down for them.

Place: Delhi

Date: July 26, 2013

(Rajesh Aggarwal)

Managing Director & CEO

CERTIFICATE

TO THE MEMBERS OF

Insecticides (India) Limited

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

We have examined the compliance of conditions of Corporate Governance by Insecticides (India) Limited, for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause, 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 and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further 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.**
CHARTERED ACCOUNTANTS

Place : Delhi

Dated : July 26, 2013

(MOHIT A. PAREKH)
Proprietor

M.No.- 081069
Firm Regn. No. - 002067N



INDEPENDENT AUDITOR'S REPORT

To,
The Members of **INSECTICIDES (INDIA) LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of INSECTICIDES (INDIA) LIMITED, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the **Statement Profit and Loss**, of the profit for the year ended on that date; and
- c) in the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date.

Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **MOHIT PAREKH & CO.**
CHARTERED ACCOUNTANTS

(**MOHIT A. PAREKH**)
Proprietor

M.No.- 081069

Firm Regn. No. - 002067N

Place : Delhi
Dated : May 25, 2013



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

1. In respect of its Fixed Assets:
 - a. The Company has maintained 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. In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its Inventories:
 - a. 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.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the company to /from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:
 - (a) The Company has obtained unsecured loans from the Companies, Firm(s), or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions on which loans have been taken are prima facie not prejudicial to the interest of the company. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
 - (b) The Company has not granted any loans secured or unsecured to the Companies, Firm (s) or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in internal controls system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ Five Lacs in respect of any party during the year have been made at prices which appear reasonable as per the information available with the company.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and Section 58AA of the Companies Act, 1956. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, coverage of internal audit function carried out by a firm of chartered accountants appointed by the management as well as company's internal audit department is commensurate with the size of the company and nature of its business.
8. 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 209(1) (d) of the Companies Act, 1956 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.
9. 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, the Investor Education & Protection Fund is not applicable to the company during the year under consideration.



- b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.
- c. According to the records of the Company, the disputed statutory dues aggregating to ₹ 254.80 Lacs that have not been deposited on account of disputed matter pending before Appropriate Authorities are as under:

S.No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where Dispute is Pending	Amount in Lacs
1	Central Excise Act, 1944	Excise Duty	Mar'02 to Oct'02	Appellate Tribunal-New Delhi	75.67
2	Central Excise Act, 1944	Excise Duty	Sep'04 to Aug'07	Appellate Tribunal-New Delhi	161.72
3	Sales Tax Act	Sales Tax	2009-10	Commercial Tax Circle, Samba (J & K)	14.42
4	Income Tax Act	Income Tax	A.Y.-2010-11	CIT (A), N. Delhi	2.99

10. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash loss during the financial year covered by our audit or in the immediately preceding financial year.
11. 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 dues to financial institutions or banks.
12. In our opinion and according to the explanations given to us and based on the information available, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit fund or a Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments during the year.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the company were prima facie applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for Long Term Investment and similarly no funds raised on Long-Term basis that have been used to finance Short-Term assets except core working capital.
18. During the year, the Company has not made any preferential allotment of shares to parties, firms and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during the year.
20. The Company has not raised money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **MOHIT PAREKH & CO.**
CHARTERED ACCOUNTANTS

(MOHIT A. PAREKH)
Proprietor

M.No.- 081069

Firm Regn. No. - 002067N

Place : Delhi
Dated : May 25, 2013



BALANCE SHEET AS AT MARCH 31, 2013

PARTICULARS	NOTES	AS AT MARCH 31, 2013 AMOUNT (In Lacs)	AS AT MARCH 31, 2012 AMOUNT (In Lacs)
A EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	3	1268.30	1268.30
(b) Reserves & Surplus	4	19953.97	16948.41
		21222.27	18216.71
Non-Current Liabilities			
(a) Long-Term Borrowings	5	3008.12	3825.01
(b) Deferred Tax Liabilities (Net)		1018.10	289.81
(c) Other Long-Term Liabilities	6	483.53	222.72
(d) Long-Term Provisions	7	57.04	68.49
		4566.79	4406.03
Current Liabilities			
(a) Short-Term Borrowings	8	16997.45	11515.05
(b) Trade Payables	9	13067.64	11846.10
(c) Other Current Liabilities	10	4918.61	3398.98
(d) Short-Term Provisions	11	2441.32	2646.71
		37425.02	29406.84
TOTAL		63214.08	52029.58
B ASSETS			
Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		13651.08	4871.62
(ii) Intangible Assets		383.70	254.12
(iii) Capital Work-in-Progress		4486.88	9196.70
		18521.66	14322.44
(b) Long-Term Loans and Advances	13	3160.47	2550.64
(c) Other Non-Current Assets	14	473.60	305.36
		22155.73	17178.44
Current Assets			
(a) Inventories	15	22535.04	20241.67
(b) Trade Receivables	16	11650.59	8921.43
(c) Cash and Cash Equivalents	17	469.11	1775.08
(d) Short-Term Loans and Advances	18	4629.36	2763.28
(e) Other Current Assets	19	1774.25	1149.68
		41058.35	34851.14
TOTAL		63214.08	52029.58
Significant Accounting Policies	1 to 2		
Notes on Financial Statements	3 to 49		

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

FOR AND ON BEHALF OF THE BOARD

Auditor's Report

As per our separate report of even date annexed herewith

For **MOHIT PAREKH & CO.**

Chartered Accountants

(**MOHIT A PAREKH**)

Proprietor

M.No. - 081069

Firm Regn. No. - 002067N

Place : Delhi

Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

HARI CHAND AGGARWAL

CHAIRMAN

RAJESH AGGARWAL
MANAGING DIRECTOR

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

PANKAJ GUPTA
COMPANY SECRETARY



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2013

PARTICULARS	NOTES	For the Year Ended MARCH 31, 2013 AMOUNT (In Lacs)	For the Year Ended MARCH 31, 2012 AMOUNT (In Lacs)
CONTINUING OPERATIONS INCOME			
Revenue from Operations (Gross)	20	65017.06	55408.23
Less: Excise Duty		3349.13	3232.64
Revenue from Operations (Net)		61667.93	52175.59
Other Income	21	20.62	8.51
Total Revenue		61688.55	52184.10
EXPENSES			
Cost of Raw Material and Components Consumed	22	37119.10	37532.38
Purchase of Traded Goods	23	4157.77	2939.53
(Increase)/ Decrease in Inventories of Finished Goods, work-in-Progress and Traded Goods	24	192.31	(4669.48)
Employee Benefits Expense	25	2683.78	1729.68
Depreciation and Amortization Expenses	26	576.46	235.66
Finance Costs	27	1735.19	1114.43
Other Expenses	28	10583.93	9007.21
Total Expenses		57048.54	47889.41
Profit Before Tax		4640.01	4294.69
Tax Expenses			
Current Tax		1109.94	908.28
Mat Credit Entitlement		(730.00)	-
Deferred Tax		728.30	84.89
Total Tax Expenses		1108.24	993.17
Profit for the year		3531.77	3301.52
Earnings per Equity Share of face value ₹ 10 each			
Basic & Diluted (in ₹)		27.85	26.03
Significant Accounting Policies	1 to 2		
Notes on Financial Statements	3 to 49		

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

Auditor's Report

As per our separate report of even date annexed herewith

For MOHIT PAREKH & CO.

Chartered Accountants

(MOHIT A PAREKH)

Proprietor

M.No. - 081069

Firm Regn. No. - 002067N

Place : Delhi

Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL

CHAIRMAN

RAJESH AGGARWAL
MANAGING DIRECTOR

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

PANKAJ GUPTA
COMPANY SECRETARY



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS		For the Year Ended MARCH 31, 2013 AMOUNT (In Lacs)	For the Year Ended MARCH 31, 2012 AMOUNT (In Lacs)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	4640.01	4294.69
	Adjustment for		
-	Depreciation & Amortisation	576.46	235.66
-	(Profit)/ Loss on Sale of Assets	(109.80)	13.79
-	Preliminary Expenses Written Off	2.34	13.88
-	Interest/Other Income	(20.62)	(8.51)
-	Interest Expenses	1187.02	1114.43
	Operating Profit Before Working Capital Changes	6275.41	5663.94
	Adjustments for		
-	(Increase)/Decrease in Trade Receivables	(2729.16)	(859.60)
-	(Increase)/Decrease in Inventories	(2293.37)	(7664.51)
-	(Increase)/Decrease in Other Receivables:		
(a)	Short Term Loans & Advances (1866.08)		
(b)	Long Term Loans & Advances (229.14)		
(c)	Other Current Assets (625.57)	(2720.79)	(1706.99)
-	Increase/(Decrease) in Trade Payables	1221.53	1902.39
-	Increase/(Decrease) in Other Payables:		
(a)	Long Term Liabilities 260.81		
(b)	Other Current Liabilities 907.90		
(c)	Provision for Expenses 13.63	1182.34	(60.93)
		935.96	(2,725.70)
	Less: Income Tax/ Wealth Tax	(1068.67)	(833.50)
	Less: Preliminary Expenses Incurred	-	(31.89)
	Net Cash From Operating Activities (A)	(132.71)	(3591.09)
B	CASH FLOW FROM INVESTING ACTIVITIES		
-	Addition to Fixed Assets	(4974.52)	(5564.14)
-	Sale of Fixed Assets	308.64	55.07
-	Interest /Other Income	20.62	8.51
-	(Addition) Disposal/Sales of Investments	-	-
	Net Cash From Investing Activities (B)	(4645.26)	(5500.56)



PARTICULARS	For the Year Ended MARCH 31, 2013 AMOUNT (In Lacs)	For the Year Ended MARCH 31, 2012 AMOUNT (In Lacs)
C CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Borrowing/Loans	5027.53	11975.19
- Interest paid	(1187.02)	(1114.43)
- Dividend Paid	(317.07)	(317.07)
- Distribution Tax Paid	(51.44)	(51.44)
Net Cash From Investing Activities (C)	3472.00	10492.25
Net Cash Flow during the year (A+B+C)	(1305.97)	1400.60
Cash and Cash Equivalents Opening Balance	1775.08	374.48
Cash and Cash Equivalents Closing Balance	469.11	1775.08

NOTES:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
2. Previous year's figures have been re-classified to confirm with current year's presentation, wherever considered necessary.

FOR AND ON BEHALF OF THE BOARD

As per our separate report of even date annexed herewith

For MOHIT PAREKH & CO.
Chartered Accountants

(MOHIT A PAREKH)
Proprietor
M.No. - 081069
Firm Regn. No. - 002067N

Place : Delhi
Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

HARI CHAND AGGARWAL

CHAIRMAN

RAJESH AGGARWAL
MANAGING DIRECTOR

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

PANKAJ GUPTA
COMPANY SECRETARY



Significant Accounting Policies for the year ended on March 31, 2013

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. Its shares are listed on two Stock Exchanges (i.e. Bombay Stock Exchange Limited and National Stock Exchange Limited) 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

Accounts are prepared on the basis of historical cost convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles, followed by the Company. The Financial Statements have been prepared in accordance with the relevant presentational requirement of the Companies Act 1956. A summary of important accounting policies which have been applied consistently are set out below.

B. Use of Estimates

The preparation of financial statements requires certain assumptions and estimates to be made that affect the reported amount of Assets & 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 materialized.

C. Tangible Fixed Assets (Owned)

Fixed Assets are stated at cost of acquisition net of recoverable taxes and includes all attributable cost for bringing the assets to its working condition for its intended use less accumulated depreciation. All costs, including financial costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

D. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financial costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

E. Leased Assets

The Company do not have any leased assets.

F. Depreciation & Amortisation

Depreciation on Fixed Assets has been provided on Straight Line Method over their useful life as per the classification, rates and manner prescribed in Schedule XIV of the Companies Act, 1956 as amended up to date. 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. Long Term Investments, if any, are stated at cost. Provision for diminution in the value of long term 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. 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 rate applicable.

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.

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



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

K. Retirement Benefits

- a) Contribution to provident fund and family pension fund are accounted for on accrual basis.
- b) Leave Encashment Benefits are accounted for on cash basis.
- c) 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 lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. 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 or sale. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

P. Proposed Dividend

Dividend proposed by the Board of Directors is provided for in the books of accounts pending approval at the Annual General Meeting.

Q. 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.

R. Provision for Current & Deferred Tax

Provision for income tax is made after availing exemptions & deductions at the rate(s) applicable under the Income Tax Act, 1961 for the year under consideration.

Provision for Wealth Tax is made after availing exemptions & deductions at the rate(s) applicable under the Wealth Tax Act, 1957 for the year under consideration.

Deferred tax resulting from "Timing Difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future.

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 and capital nature of expenditures incurred at Samba, Udhampur & Dahej Units in earlier years as well as during the year. The same shall be accounted for on cash/acceptance basis as under:

Subsidy of capital nature and related to specific Fixed Asset shall be deducted from the gross value of assets.

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

X. Provisions, Contingent Liabilities, Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. 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 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.

3. SHARE CAPITAL

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ In Lacs)
Authorised Shares Capital 15000000 (Previous Year 15000000) Equity Shares of ₹ 10/- Each	1500.00	1500.00
Issued, Subscribed & Paid-Up Shares Capital 12682966 (Previous Year 12682966) Equity Shares of ₹ 10/- Each (Out of the above shares 1550500 Equity Shares are allotted as fully paidup Bonus Shares)	1268.30	1268.30
TOTAL	1268.30	1268.30

3(a) Reconciliation of the Shares outstanding at the begning and at the end of the reporting period

PARTICULARS	As At March 31, 2013		As At March 31, 2012	
	Number of Shares	(₹ in Lacs)	Number of Shares	(₹ in Lacs)
Equity Shares at the beginning of the period	12682966	1268.30	12682966	1268.30
Issued during the year period	-	-	-	-
Outstanding at the end of the period	12682966	1268.30	12682966	1268.30

3(b) Rights, Preferences and Restrictions attached to Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

During the financial year ended on March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.00 (Previous Year ₹ 2.50)

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

Name of the Shareholder	As At March 31, 2013		As At March 31, 2012	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	3528600	27.82	3528600	27.82
Pushpa Aggarwal	1434600	11.31	1434600	11.31
Rajesh Aggarwal (HUF)	1302000	10.27	1302000	10.27
Hari Chand Aggarwal (HUF)	996000	7.85	996000	7.85
Nikunj Aggarwal	750000	5.91	750000	5.91
Ruanne, Cuniff & Goldfarb Inc A/c	697844	5.50	697844	5.50
Life Insurance Corporation of India	675000	5.32	-	-



4. RESERVES AND SURPLUS

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
A. Securities Premium Account	3518.15	3518.15
B. General Reserve		
Opening Balance	1192.13	861.98
Add: Transferred from surplus in Statement of Profit and Loss	464.00	330.15
Closing Balance	1656.13	1192.13
C. Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	12429.04	9826.18
Add: Profit/(Loss) for the year	3531.77	3301.52
Less: Appropriations		
Proposed Final Equity Dividend	380.49	317.07
[Dividend per share ₹3.00 (Previous Year ₹ 2.50)]		
Tax on Proposed Equity Dividend	64.66	51.44
Transfer to General Reserve	464.00	330.15
15051.66	12429.04	
D. Foreign Currency Translation Reserve	(271.97)	(190.91)
TOTAL RESERVE AND SURPLUS	19953.97	16948.41

5. LONG TERM BORROWINGS

Particulars	As At March 31, 2013		As At March 31, 2012	
	(₹ in Lacs)		(₹ in Lacs)	
	Non-Current	Current	Non-Current	Current
(A) Term Loans				
Indian Rupees Loan from Banks-Vehicle Loans	69.96	117.38	68.37	105.34
Indian Rupees Loan from Banks-Term Loan (Secured)	-	-	-	37.50
Foreign Currency Loans from Banks (Secured)	2938.16	1009.00	3731.64	371.81
	3008.12	1126.38	3800.01	514.65
(B) Loans and Advances from Related Parties				
Unsecured	-	-	25.00	-
TOTAL	3008.12	1126.38	3825.01	514.65

(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 11 to 13% per annum.
- The Foreign Currency Outstanding Loan Amounting to ₹ 1401.31 Lacs (Previous Year - ₹ 1533.72 Lacs) has been secured by the first charge over Plant and Machineries situated at CH-21, GIDC Industrial Estate, Dahej (Gujarat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The outstanding loan is repayable in 14 quarterly instalments. The interest is to paid on quarterly basis at Libor plus 2.5%. Further, the Company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.
- The Foreign Currency Outstanding loan amounting to ₹ 2545.85 Lacs (Previous Year - ₹ 2569.73 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 (Gujarat). Further, the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal.



The outstanding loan is repayable in 15 quarterly instalments. The interest is to be paid on quarterly basis at Libor plus 3.5%. Further, the Company has entered into the derivative contract for hedging of interest rate swaps.

(b) Terms of repayment for Unsecured Borrowing :

The loan from related parties was repayable on demand and the interest is paid/ payable at 12% per annum. The year end balance of loan from related parties is NIL.

6. OTHER LONG TERM LIABILITIES

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Trade / Security Deposits received from Customers	224.16	182.72
National Research Development Corporation (TDDP)	100.00	40.00
Due To GIDC, Gujarat	159.37	–
TOTAL	483.53	222.72

7. LONG TERM PROVISIONS

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
(a) Provision for Employee Benefits		
Provision for Gratuity	–	12.37
(b) Provision for Foreign Exchange Loss (M to M)	57.04	56.12
TOTAL	57.04	68.49

8. SHORT TERM BORROWINGS

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Loan Repayable On		
(a) Demand from Banks (Secured)	4000.00	500.00
(b) Cash Credit from Banks (Secured)	9973.76	7459.59
(c) Buyers Credit Loans (Secured)	3023.69	3555.46
TOTAL	16997.45	11515.05

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 situated at Chopanki Unit (Rajasthan), Samba Unit (J&K), Udhampur Unit (J&K) and residential property in the name of director at Pitampura (Delhi) and negative lien on company's office at Azadpur (Delhi). Further, these loans have been guaranteed by the personal guarantee of the directors - Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. Further, the Company has entered into the derivative contract for hedging of buyer's credit amounting to ₹ 966.88 Lacs during the year (Previous Year - NIL).

9. TRADE PAYABLES

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Trade Payables (Including Acceptances)	13067.64	11846.10
TOTAL	13067.64	11846.10



10. OTHER CURRENT LIABILITIES

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Current Maturities of Long Term Borrowings	1126.38	514.65
Unpaid Dividend	3.13	2.74
Other Payables		
(i) Statutory Remittances (Contributions to PF and ESIC, Prof. Tax, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	201.03	155.04
(ii) Advances from Customers	1810.28	1429.21
(iii) Interest Recoverable (Subject to Acceptance of Debit Notes)	-	7.53
(iv) Cheques sent for Collection	45.95	45.20
(v) Debtors having Credit Balance	1048.56	715.23
(vi) Creditors for Capital Expenditure	284.74	209.43
(vi) Expenses Payable	398.54	319.95
TOTAL	4918.61	3398.98

11. SHORT TERM PROVISIONS

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
(a) Provision for Employee Benefits		
(i) Provision for Bonus	101.78	75.77
(b) Provision - Others		
(i) Provision for Income Tax	1892.64	2201.03
(ii) Provision for Wealth Tax	1.75	1.40
(iii) Proposed Equity Dividend	380.49	317.07
(iv) Provision for Tax on Proposed Equity Dividend	64.66	51.44
TOTAL	2441.32	2646.71



12. FIXED ASSETS

(₹ In Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2012	Addition	Sale/ Adjustment	As At 31.03.2013	As At 01.04.2012	For the period	Written Back	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
(I) TANGIBLE ASSETS										
OWNED ASSETS										
Freehold Land	614.81	84.54	-	699.35	-	-	-	-	699.35	614.81
Leasehold Land	398.87	1115.28	148.54	1365.61	-	-	-	-	1365.61	398.87
Office/Godown Buildings	73.07	-	-	73.07	6.08	1.19	-	7.27	65.80	66.99
Factory Buildings	1770.24	1679.35	-	3449.59	151.81	107.27	-	259.08	3190.51	1618.43
Plant & Machinery	1462.33	5826.89	0.43	7288.79	246.72	313.35	0.04	560.03	6728.76	1215.61
Electrical Installations	121.31	189.90	-	311.21	24.72	14.04	-	38.76	272.45	96.59
Factory Equipments	17.68	9.95	-	27.63	0.49	0.97	-	1.46	26.17	17.19
Laboratory Equipments	209.87	54.34	7.24	256.97	20.02	11.15	0.79	30.38	226.59	189.85
Pollution Control Equipments	60.53	-	-	60.53	14.26	2.88	-	17.14	43.39	46.27
Generator	23.83	-	8.62	15.21	4.22	1.10	-	5.32	9.89	19.61
Telephone & Mobiles	6.83	2.94	0.69	9.08	1.10	0.36	0.11	1.35	7.73	5.73
Furniture & Fixtures	53.83	20.31	0.57	73.57	16.38	3.58	0.25	19.71	53.86	37.45
Electrical Fittings	18.71	345.52	-	364.23	0.78	15.37	-	16.15	348.08	17.93
Office Equipments	66.63	7.75	0.01	74.37	14.59	3.47	-	18.06	56.31	52.04
Computers & Accessories	106.61	26.81	1.30	132.12	52.09	38.21	0.59	89.71	42.41	54.52
Vehicles	522.07	169.62	54.77	636.92	102.34	54.06	22.01	134.39	502.53	419.73
Commercial Vehicle	-	11.81	-	11.81	-	0.17	-	0.17	11.64	-
SUB TOTAL (A)	5527.22	9545.01	222.17	14850.06	655.60	567.17	23.79	1198.98	13651.08	4871.62
(II) INTANGIBLE ASSETS										
Software	126.39	133.87	-	260.26	40.34	0.39	-	40.73	219.53	86.05
Website	0.77	-	-	0.77	0.23	0.03	-	0.26	0.51	0.54
Patents, Trade Marks & Designs	185.05	5.00	-	190.05	17.52	8.87	-	26.39	163.66	167.53
SUB TOTAL (B)	312.21	138.87	-	451.08	58.09	9.29	-	67.38	383.70	254.12
Total (A+B)	5839.43	9683.88	222.17	15301.14	713.69	576.46	23.79	1266.36	14034.78	5125.74
Previous Year Figures	3649.64	2288.60	98.81	5839.43	507.98	235.66	29.95	713.69	5125.74	3141.66
(III) Capital Work in Progress									4486.88	9196.70



13. LONG TERM LOANS & ADVANCES

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Security Deposit		
Secured, considered good	68.39	47.48
Unsecured, considered good	-	-
Doubtful	-	-
	68.39	47.48
Advances Recoverable in Cash or Kind		
Secured considered good	-	-
Unsecured considered good	-	-
Doubtful	-	-
	-	-
Other Loans and Advances		
Advance income-tax	1870.24	2219.55
Prepaid expenses	-	-
Loans & Travel Advances to employees	-	-
Balance with Central Excise, VAT Authorities, etc.	491.84	283.61
MAT Credit Entitlement	730.00	2503.16
	3092.08	2503.16
TOTAL	3160.47	2550.64

14. OTHER NON CURRENT ASSETS

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Unamortised Expenses		
Share Issue Expenses etc.	363.52	364.85
Unamortised (Gain)/Loss on Foreign Currency	110.08	(59.49)
TOTAL	473.60	305.36

15. INVENTORIES

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
(a) Raw Materials	775.95	6050.44
At cost or market price, whichever is lower (On Weighted Average Basis)		
Goods-in-transit	636.54	36.32
(b) Finished Goods (Manufactured)	9789.56	10152.60
(Cost of Production or Net Realizable Value whichever is lower)		
(c) Stock-in-Trade (Traded Goods)	1342.91	1177.62
At Cost (On Weighted Average Basis)		
(d) Packing Materials	1363.56	1266.80
At Cost (On Weighted Average Basis)		
Goods-in-Transit	22.67	2.77
(e) Semi- Finished Goods	1554.00	1548.55
(At Weighted Average Cost)		
(f) Stores, Spares Parts & Fuel	65.36	6.56
At Cost (On Weighted Average Basis)		
Goods-in-Transit	0.96	-
TOTAL	22535.04	20241.67



16. TRADE RECEIVABLES

PARTICULARS	As At March 31, 2013 (₹ in Lacs)	As At March 31, 2012 (₹ in Lacs)
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	741.54	226.26
Doubtful	5.66	5.71
	747.20	231.97
Other Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	10903.39	8689.46
Doubtful	-	-
	10903.39	8689.46
TOTAL	11650.59	8921.43

17. CASH AND CASH EQUIVALENTS

PARTICULARS	As At March 31, 2013 (₹ in Lacs)	As At March 31, 2012 (₹ in Lacs)
(a) Cash on Hand	20.36	27.54
(b) Cheques, Drafts on Hand	-	-
(c) Balances with Banks		
(i) In Current Accounts	375.78	486.59
(ii) In Earmarked Accounts - Unpaid Dividend Accounts	3.13	2.74
(iii) Fixed Deposits with Bank	69.84	1258.21
TOTAL	469.11	1775.08

18. LOANS & ADVANCES (CURRENT)

PARTICULARS	As At March 31, 2013 (₹ in Lacs)	As At March 31, 2012 (₹ in Lacs)
Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	309.47	206.76
Doubtful	-	-
	309.47	206.76
Security Deposit		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Advances Recoverable in Cash or Kind		
Secured considered good	2633.20	572.22
Unsecured considered good	-	-
Doubtful	-	-
	2633.20	572.22
Other Loans and Advances		
Advance Income-Tax	-	-
Prepaid Expenses	142.60	238.64
Loans & Travel Advances to Employees	21.62	19.57
Balance with Central Excise, VAT Authorities, etc.	1522.48	1726.09
	1686.70	1984.30
TOTAL	4629.36	2763.28



19. OTHER CURRENT ASSETS

PARTICULARS	As At March 31, 2013	As At March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Excise Duty Involved in Stocks laying with the various Branches	1694.25	1099.12
Interest Recoverable	74.90	-
Coins In Hand	-	0.42
Insurance Claim Recoverable	0.32	37.75
Other Recoverable - Sales Tax Department	3.45	10.05
Preliminary Expenses (Not Written off or Adjusted)	1.33	2.34
TOTAL	1774.25	1149.68



20. REVENUE FROM OPERATIONS

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Sale of Products		
Finished Goods	58668.19	50676.85
Traded Goods	6346.82	4731.38
Sale of Scrap	2.05	-
Revenue from Operations (Gross)	65017.06	55408.23
Less: Excise Duty	3349.13	3232.64
TOTAL	61667.93	52175.59

Details of Sold Products

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
(a) Finished Goods Sold		
Liquid	31649.00	27288.08
Powder	8842.79	8120.94
Granules	11013.71	9782.97
Technicals	7162.69	5484.86
Total (a)	58668.19	50676.85
(b) Traded Goods Sold		
Liquid	4022.31	2384.15
Powder	486.79	544.38
Granules	999.25	1000.66
Raw Materials & Packing Materials	838.47	802.19
Total (b)	6346.82	4731.38
Total (a+b)	65015.01	55408.23

21. OTHER INCOME

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Interest Income on Fixed Deposits with Banks (Tax Detected at Source ₹ 1.70 Lacs (Previous Year ₹ 4.03 Lacs))	16.22	7.51
Others	0.62	0.52
TOTAL	16.84	8.03
Other Non-operating Income	3.78	0.48
TOTAL	20.62	8.51



22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Raw Material		
Inventory at the beginning of the year	6086.77	3575.31
Add: Purchases	35230.86	35767.33
	41317.63	39342.64
Less: Inventory at the end of the year	8396.03	6086.76
Cost of Raw Material Consumed	32921.60	33255.88
Packing Material		
Inventory at the beginning of the year	1269.57	789.21
Add: Purchases	4314.16	4756.86
	5583.73	5546.07
Less: Inventory at the end of the year	1386.23	1269.57
Cost of Packing Material Consumed	4197.50	4276.50
TOTAL	37119.10	37532.38

23. PURCHASE OF TRADED GOODS

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Liquid	3535.75	2138.79
Powder	79.15	645.42
Granules	542.87	155.32
TOTAL	4157.77	2939.53

24. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Inventories at the end of the year		
Finished Goods	9789.56	10152.60
Semi Finished Goods	1553.99	1548.55
Traded Goods	1342.91	1177.62
TOTAL (A)	12686.46	12878.77
Inventories at the beginning of the year		
Finished Goods	10152.60	6015.29
Semi Finished Goods	1548.55	1303.48
Traded Goods	1177.62	890.52
TOTAL (B)	12878.77	8209.29
(INCREASE)/DECREASE IN STOCK (B-A)	192.31	(4669.48)



Details of Inventory

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
<u>Finished Goods</u>		
Liquid	6182.03	6768.81
Powder	1615.78	1412.92
Granules	1276.17	1667.37
Technicals	715.58	303.50
TOTAL	9789.56	10152.60
<u>Traded Goods</u>		
Liquid	1235.55	732.08
Powder	28.41	354.72
Granules	78.95	90.82
TOTAL	1342.91	1177.62

25. EMPLOYEES BENEFIT EXPENSE

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Salaries, Wages and Bonus	2444.30	1600.40
Contribution to Provident and Other Funds	93.27	70.91
Gratuity Expense	39.78	(1.22)
Staff Welfare Expenses	106.43	59.59
TOTAL	2683.78	1729.68

26. DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Depreciation on Tangible Assets	567.17	206.65
Amortization on Intangible Assets	9.29	29.01
TOTAL	576.46	235.66

27. FINANCE COSTS

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Interest		
Interest on Cash Credit Limits & Buyers Credit and Demand Loan	1145.37	305.23
Interest (Others)	18.15	13.19
Interest on Term Loans	19.72	18.13
Interest on Unsecured Loans	3.78	0.72
Bank Charges	136.39	141.94
Net (Gain) / Loss on Foreign Currency Transactions and Translation (Considered as Finance Costs)	411.78	635.22
TOTAL	1735.19	1114.43



28. OTHER EXPENSES

PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Manufacturing Expenses		
Consumption of Stores and Spares	201.97	167.98
Job Work Charges	1.50	27.52
Power and Fuel Expenses	463.56	130.75
Freight Inward	176.83	155.49
Conveyance Expenses	56.19	31.20
Repairs & Maintenance (Machinery)	85.86	35.60
Repairs & Maintenance (Buildings)	22.75	11.14
Repairs & Maintenance (Others)	43.65	33.30
Pollution Control Expenses	56.12	42.65
Entry Tax/Toll Tax	37.59	37.12
Laboratory Expenses	42.81	31.17
	1188.83	703.92
Selling & Distribution Expenses		
Discounts & Rebates Allowed	5088.05	4317.11
Freight Outward	1218.88	1181.65
Business Promotion Expenses	1057.24	934.53
Leakage/Demonstration/Testing/Tender Expenses	13.19	9.40
Advertisement & Publicity Expenses	134.03	255.19
Royalty	194.02	90.77
Sales Commission	419.61	375.66
Travelling and Conveyance	487.15	362.49
	8612.17	7526.80
Administrative & General Expenses		
Rent (Including Lease Rental)	123.66	100.98
Insurance	71.08	81.17
Telephone Expenses	31.16	26.84
Printing and Stationery	22.11	26.61
Legal and Professional Fees	115.33	77.05
Directors' Sitting Fees	6.09	3.60
Payment to Auditors	16.85	16.85
Professional Tax	0.15	0.17
Electricity & Water Charges	36.72	26.06
Rates and Taxes	4.57	3.51
Repairs & Maintenance (Others)	6.10	5.29
Conveyance Expenses	2.18	1.97
Postage & Telegram Expenses	8.45	8.30
Filing Fees	0.58	0.42
Licence Fees	1.73	0.99
Office Maintenance Expenses	35.47	16.35
Membership & Subscription	4.78	2.81
Vehicle Running & Maintenance Expenses	31.69	20.58
Security Charges	54.77	30.56
Donation	15.71	3.23
TDS (Interest Paid)	-	0.15
Scooter Running & Maintenance Expenses	2.39	2.08
Fine & Penalties	2.46	0.70



PARTICULARS	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
	(₹ in Lacs)	(₹ in Lacs)
Computer Running & Maintenance Expenses	75.13	64.98
Generator Repair & Maintenance Expenses	7.44	18.60
Books & Periodicals	0.53	0.83
Additional Sales Tax	0.07	3.86
ISO Expenses	1.21	1.27
Research & Development Expenses	117.94	148.01
Preliminary Expenses Written off	2.34	13.88
Petty Balance Written off	0.64	0.28
Loss on Sale of Fixed Assets (Net)	(109.81)	13.79
Loss due to Fire (Stock)	3.19	-
Loss due to Fire (Assets)	16.11	-
Miscellaneous Expenses	59.09	51.52
Prior Period Items (Net)	15.02	3.20
782.93	776.49	
TOTAL	10583.93	9007.21

29. 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:

PARTICULARS	Current Year	Previous Year
	(₹ in Lacs)	(₹ in Lacs)
Profit after Taxation	3531.77	3301.52
Weighted Average Number of Equity Shares	12682966	12682966
Earning Per Share (Basic & Diluted)	₹ 27.85	₹ 26.03
Face Value Per Share	₹ 10	₹ 10

30. 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 cash basis every year and charged to the Statement of Profit & Loss of the year.
 - Retirement benefits in the form of Gratuity, which is define benefit plan, is determined and accounted for on the basis an actuarial valuation done by applying the Projected Unit Credit Method.
 - The Actuarial Gains / Losses arising during the year are recognized in the Statement of Profit & Loss of the year.
- The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the Gratuity Plan:



GRATUITY LIABILITY

PARTICULARS	For the Year Ended on March 31, 2013 (₹ in Lacs)	For the Year Ended on March 31, 2012 (₹ in Lacs)
I. Assumptions		
Discount Rate	8.25%	8.50%
Rate of Return on Plan Assets	8.70%	8.50%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%
	Age Related	Age Related
II. Change in the Present Value of Defined Benefit Obligation		
Liability at the beginning of the year	133.27	78.69
Interest Cost	11.32	6.49
Current Service Cost	22.30	15.18
Benefit Paid	(10.20)	(3.07)
Actuarial (Gain)/Loss on Obligations	13.94	35.98
Liability at the end of the year	170.64	133.27
III. Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	120.90	101.34
Expected Return on Plan Assets	10.28	8.36
Contributions by Employer	90.00	12.64
Benefit Paid	(10.20)	(3.07)
Actuarial Gain/(Loss) on Plan Assets	0.60	1.63
Fair Value of Plan Assets at the end of the year	211.58	120.90
Total Actuarial Gain/(Loss) To be Recognized	(13.34)	(34.35)
IV. Actual Return on Plan Assets		
Expected Return on Plan Assets	10.28	8.36
Actuarial Gain/(Loss) on Plan Assets	0.60	1.63
Actual Return on Plan Assets	10.88	9.99
V. Amount Recognized in the Balance Sheet		
Liability at the end of the year	170.64	133.27
Fair Value of Plan Assets at the end of the year	211.58	120.90
Difference	40.94	12.37
Unrecognized Past Service Cost	–	–
Amount Recognized in the Balance Sheet	40.94	12.37
VI. Expenses Recognized in the Statement of Profit & Loss		
Current Service Cost	22.30	15.18
Interest Cost	11.33	6.49
Expected Return on Plan Asset	(10.28)	(8.36)
Actuarial (Gain) or Loss	13.34	34.35
Expenses Recognized in the Statement of Profit & Loss	36.69	47.66
VII. Balance Sheet Reconciliation		
Opening Net Liability	(12.37)	(22.64)
Expense Recognized in the Statement of Profit & Loss	(36.69)	47.66
Employers Contribution	90.00	(12.64)
Amount Recognized in Balance Sheet	40.94	(12.37)
VIII. Category of Assets		
Insurer Managed Funds	211.58	120.90
TOTAL	211.58	120.90



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.

31. 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	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue (Sales/Income)										
a) External Sales	54512.00	46764.91	7156.00	5446.90	-	-	-	-	61668.00	55408.23
b) Inter Segmental Sales	-	-	9922.00	4973.05	-	-	9922.00	4973.05	-	-
Sales	54512.00	46764.91	17078.00	10383.73	-	-	9922.00	4973.05	61668.00	52175.59
Segment Result										
Operating Profit before Interest and Taxes	-	-	-	-	5810.80	4623.92	-	-	5810.80	4623.92
Less : Interest Expenses	-	-	-	-	1187.02	337.26	-	-	1187.02	337.26
Add : Profit on Sale of Investment	-	-	-	-	-	-	-	-	-	-
Add : Dividend Income	-	-	-	-	-	-	-	-	-	-
Add : Interest Income	-	-	-	-	16.22	8.03	-	-	16.22	8.03
Profit Before Tax	-	-	-	-	4636.68	4294.69	-	-	4636.68	4294.69
Current Tax (Net of MAT Credit)	-	-	-	-	200.00	945.00	-	-	200.00	945.00
Deferred Tax	-	-	-	-	728.30	84.89	-	-	728.30	84.89
Wealth Tax	-	-	-	-	1.75	1.25	-	-	1.75	1.25
Provision for Taxes of Earlier year	-	-	-	-	179.94	(37.97)	-	-	179.94	(37.97)
Profit After Tax	-	-	-	-	3531.76	3301.52	-	-	3531.76	3301.52
Other Information										
Segment Assets	-	-	-	-	63207.43	52029.58	-	-	63207.43	52029.58
Segment Liabilities	-	-	-	-	37394.72	29406.84	-	-	37394.72	29406.84
Capital Expenditure	3697.54	2271.82	1003.35	16.76	273.63	3275.54	-	-	4974.52	5564.12
Depreciation	230.00	196.83	346.00	38.83	-	-	-	-	576.00	235.66
Non-Cash Expenditure	1.18	19.18	1.16	8.48	-	-	-	-	2.34	27.66



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.

32. 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 (Excluding Reimbursements) are given herein below:

(I) RELATED PARTIES

A. Key Management Personnel & Directors :

- | | |
|---------------------------------------------|----------------------------------------------------|
| 1. Mr. Hari Chand Aggarwal | 5. Mr. Navneet Goel |
| 2. Mr. Rajesh Aggarwal | 6. Mr. Rajender Pershad Gupta (till Sep. 25, 2012) |
| 3. Mr. Sanjeev Bansal (till April 30, 2013) | 7. Mr. Vrijesh Kumar Gupta (from Sep. 25, 2012) |
| 4. Mrs. Nikunj Aggarwal (from May 2, 2013) | 8. Mr. Gopal Chandra Agarwal |
| 9. Mr. Navin Shah | 10. Mr. Anil Kumar Singh |

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

- | | |
|---------------------------------|-------------------|
| 1. Paras Agro Industries | Associate Firm |
| 2. ISEC Organics Limited | Associate Company |
| 3. Evergreen Mineral Industries | Associate Firm |

(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:

Sr. No.	Name of Related Parties	Relationship	Nature of Transaction	2012-13 (₹ in Lacs)	2011-12 (₹ in Lacs)
1.	Mr. Hari Chand Aggarwal	Chairman	Directors Remuneration	56.70	37.80
			Loan Taken	-	10.00
			Interest Paid	-	0.20
			Loan Repaid	-	10.00
2.	Mr. Rajesh Aggarwal	Managing Director	Directors Remuneration	63.00	47.32
			Loan Taken	-	55.00
			Loan Repaid	-	55.00
3.	Mr. Sanjeev Bansal	Whole Time Director	Directors Remuneration	6.30	6.30
4.	Mr. Vrijesh Kumar Gupta	Director	Sitting Fee	0.45	NIL
5.	Mr. Rajender Pershad Gupta	Director	Sitting Fee	0.45	0.60
6.	Mr. Navneet Goel	Director	Sitting Fee	1.20	0.75
7.	Mr. Gopal Chandra Agarwal	Director	Sitting Fee	1.20	0.75
8.	Mr. Anil Kumar Singh	Director	Sitting Fee	1.20	0.75
9.	Mr. Navin Shah	Director	Sitting Fee	1.05	0.75
10.	ISEC Organics Limited	Associate Company	Rent	26.97	26.47
			Loan Taken	95.00	71.00
			Interest Paid	3.78	0.52
			Loan Repaid	120.00	46.00
11.	Paras Agro Industries	Associate Firm	Purchases	126.45	115.86
12.	Evergreen Mineral Industries	Associate Firm	Purchases	210.65	193.81



(III) Balance outstanding with related parties:-

(₹ in Lacs)

Sr. No.	Name of Related Parties	Relationship	Nature of Outstanding	2012-13 (₹ in Lacs)	2011-12 (₹ in Lacs)
1.	Mr. Hari Chand Aggarwal	Chairman	Remuneration Payable	3.75	3.94
2.	Mr. Rajesh Aggarwal	Managing Director	Remuneration Payable	2.09	5.63
3.	Mr. Sanjeev Bansal	Whole Time Director	Remuneration Payable	0.30	0.74
4.	ISEC Organics Limited	Associate Company	Long Term Loan Payable	NIL	25.00
5.	Paras Agro Industries	Associate Firm	Trade Payable	17.45	32.74
6.	Evergreen Mineral Industries	Associate Firm	Trade Payable	36.03	5.09
7.	ISEC Organics Limited	Associate Company	Rent Payable	9.33	NIL

33. DEFERRED TAX LIABILITIES

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

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
Deferred Tax Assets	NIL	NIL
Deferred Tax Liabilities (Related to Depreciation)	1018.11	289.81
Deferred Tax Liabilities		
At The End of The Year	1018.11	289.81
For The Year	728.30	84.89

34. PAYMENT TO AUDITORS : (Net of Service Tax)

PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
As Auditors		
Audit Fees	11.00	11.00
Tax Audit Fees	2.00	2.00
In Other Capacity		
Taxation & Other Matters	2.00	2.00
TOTAL	15.00	15.00

35. Remittance in Foreign Currency on account of Dividend : NIL

36. COST OF IMPORTED MATERIALS CONSUMED

A. RAW MATERIAL CONSUMED

PARTICULARS	Current Year		Previous Year	
	Amount (₹ in Lacs)	Percentage	Amount (₹ in Lacs)	Percentage
Imported	10747.93	32.65	8998.88	27.06
Indigenous	22173.67	67.35	24257.00	72.94
TOTAL	32921.60	100.00	33255.88	100.00

B. PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	Current Year		Previous Year	
	Amount (₹ in Lacs)	Percentage	Amount (₹ in Lacs)	Percentage
Imported	-	-	-	-
Indigenous	4399.47	100.00	4444.48	100.00
TOTAL	4399.47	100.00	4444.48	100.00



C. RAW MATERIAL, PACKING MATERIALS & COSUMABLE STORES CONSUMED

PARTICULARS	Current Year		Previous Year	
	Amount (₹ in Lacs)	Percentage	Amount (₹ in Lacs)	Percentage
Imported	10747.93	28.80	8998.88	23.87
Indigenous	26573.14	71.20	28701.48	76.13
TOTAL	37321.07	100.00	37700.36	100.00

37. VALUE OF IMPORTS (ON CIF BASIS)

PARTICULARS	Current Year	Previous Year
	(₹ In Lacs)	(₹ In Lacs)
Raw Materials	12379.21	8550.18
Machinery	24.12	77.84

38. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

PARTICULARS	Current Year	Previous Year
	(₹ In Lacs)	(₹ In Lacs)
Tour & Travelling Expenses	3.73	2.42
Royalty	194.02	90.77
Sales Promotion	1.53	26.87
Professional Charges	8.55	3.60
Interest	423.20	132.04

39. INCOME IN FOREIGN CURRENCY (FOB)

PARTICULARS	Current Year	Previous Year
	(₹ In Lacs)	(₹ In Lacs)
Export Sales	18.47	55.49

40. CONTINGENT LIABILITIES

S. No.	PARTICULARS	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
(a)	Letter of Credits (FLC & ILC)	5185.47	4681.03
(b)	Bank Guarantee	209.75	197.35
(c)	Import Bills accepted with Banks	294.25	393.43
(d)	Excise Matter with Appellate Authority, New Delhi (Period Covered - March, 2002 to October, 2002)	75.67	75.67
(e)	Excise Matter with Appellate Authority, New Delhi (Period Covered - September, 2004 to August, 2007)	161.72	161.72
(f)	Sales Tax Matter with Appellate Authorities at Asansol (West Bengal)	5.70	5.70
(g)	Sales Tax Matter with Appellate Authorities at Ghaziabad (Uttar Pradesh)	NIL	9.64
(h)	Sales Tax Matter with Appellate Authorities at Samba (J & K)	14.42	Nil
(i)	Income Tax matter with CIT (A), New Delhi for A.Y 2010-11	2.99	Nil

(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 (d) to (i) 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.

41. Estimated amount of Contract remaining to be executed on Capital Accounts (Net of Advances) & not provided for ₹ Nil (Previous Year ₹ 964 Lacs).
42. 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.
43. 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.
44. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India except the taxes / duties recoverable has been included in the valuation of stocks as per the past practice.
45. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2013 is ₹ 856.70 Lacs (Previous Year- ₹ 1276.48 Lacs).
46. 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.
47. 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.
48. All the common expenses incurred during the year in respect of Formulation (Products) units at Chopanki, Samba, Udampur and Dahej have been allocated at the year end in the proportion to Sales (Net) effected during the year. The Technical (Products) Units at Chopanki & Dahej are separate as well as independent units having no common activities if compared with above mentioned Formulation Units and as such, the expenses incurred by branches/ other units have not been allocated to the Technical Unit except common expenses incurred by the Head Office which are allocated in proportion to Sales (Net) effected by all the Units.

49. DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

- (a) The nominal amount of derivative contracts entered into by the company and outstanding as on March 31, 2013 amount to ₹1431.80 Lacs (Previous Year ₹ 1559.95 Lacs). The Category wise break-up is given below:-

S. No.	PARTICULARS	Current Year	Previous Year
		(₹ In Lacs)	(₹ In Lacs)
1.	Interest Rate Swaps	6.69	33.85
2.	Currency Swaps	1425.11	1526.10

- (b) Foreign currency exposure that are not hedged by derivatives instruments as on March 31, 2013 amount to ₹ 9474.54 Lacs (Previous Year ₹10779.98 Lacs).
- (c) Mark to Market Losses provided for by the company during the year amount to ₹ 0.92 Lacs (Previous Year ₹ 56.12 Lacs).

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For **MOHIT PAREKH & CO.**
Chartered Accountants

(**MOHIT A PAREKH**)
Proprietor
M.No. - 081069
Firm Regn. No. - 002067N

Place : Delhi
Date : May 25, 2013

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

HARI CHAND AGGARWAL
CHAIRMAN

RAJESH AGGARWAL
MANAGING DIRECTOR

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR

PANKAJ GUPTA
COMPANY SECRETARY

NUVAN
 FLAME DP SHARK THIMET
 VICTOR AFLATOON EUROZYME
 ANCHOR BANJO ARROW AVON PLUS ANMOL GETMORE
 PULSOR TITAN SUMO METACIL LEO M-45 SONA
 SURYA ZINC PLUS XPLODE MILFAST ARMY SUPERHIT TWISTER
 MONOCIL ULTRA HAWK ROGORIN SUPER FIGHTER CYPERMIL
 SULFIN PLUS ACTIVE GR SPARCLE ORBIT MILUX SUPER STAR
 PHENTOM SELECTOR LETHAL HIMIL MILTAF STRIKE METRO HIT-44
 DYNAMITE PLUS RAMBO
 MILTHION GURU KAISER AMAZE BRAVO HIJACK HAKAMA
 PENDAMIL LOGO RIM JHIM FORCE-11 WEEDGRIP MILQUAT
 SEATHMIL ANCHOR SHARP HUMIL MILCHLOR GR PRIME
 TYCOON INDAN WEGO SUPER VICTOR SUPER JADOO AVVAL
 MORE DP PROFIT DP NOVACULAN FLITE 71 CHASER PLUTO
 OLYMPIC RACER BECTRIMIL SAHARA CARE SARGENT



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