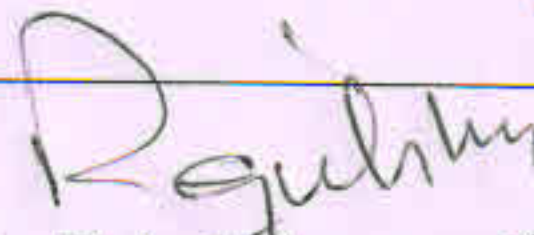
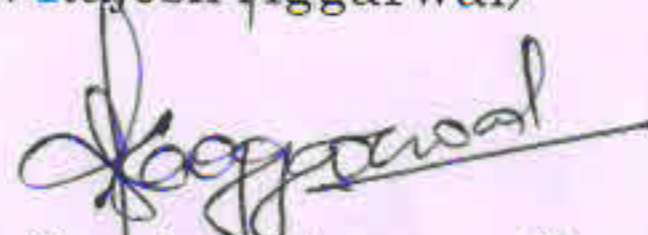




August 23, 2014

The Manager
Department of Corporate Relations (CRD)
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Dear Sir/Madam,

Form – A

Name of the Company	Insecticides (India) Limited
Annual Financial Statements for the year Ended	31 st March, 2014
Type of Audit Observation	Un-qualified
Frequency of Observation	Never Qualified
To be Signed by	
a) CEO/Managing Director	 (Mr. Rajesh Aggarwal)
b) Chief Financial Officer	 (Mr. Sandeep Aggarwal)
c) Auditor	 (Mr. Mohit A Parekh)
d) Chairman of the Audit Committee	 (Mr. Gopal Chandra Agarwal)

DELIVERING VALUE THROUGH TECHNOLOGY



Across the pages...

Business Overview

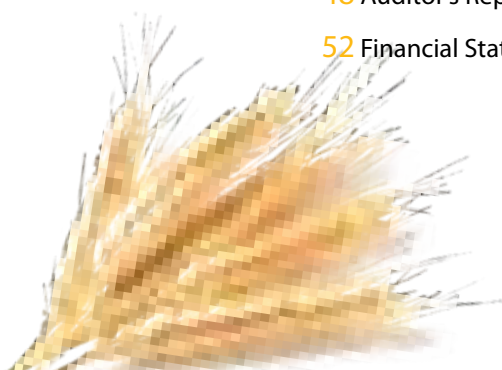
- 08 Financial Highlights
- 10 From the Chairman's Desk
- 12 Insecticides (India) - An Outline
- 14 Insecticides (India) - The Journey So Far!

Management Reports

- 20 Management Discussion & Analysis
- 29 Directors' Report
- 35 Report on Corporate Governance

Financial Statements

- 48 Auditor's Report
- 52 Financial Statements



Corporate Information

Board of Directors

Mr. Hari Chand Aggarwal, *Chairman*
Mr. Rajesh Aggarwal, *Managing Director*
Mrs. Nikunj Aggarwal, *Whole-time Director*
Mr. Vrijesh 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

Bankers

Punjab National Bank
Citi Bank N.A
Standard Chartered Bank
Yes Bank Ltd.
HDFC Bank Ltd.
ING Vysya Bank Ltd.
The Hong Kong Shanghai Banking Corporation Ltd. (HSBC)
IndusInd Bank Ltd.
State Bank of India

Registrar & Transfer Agent

Alankit Assignments Ltd.
Alankit House,
2E/21, Jhandewalan Extension
New Delhi-110055

Registered & Corporate Office

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

Works

E-442, RIICO Industrial Area, Chopanki (Bhiwadi)-301707 (Rajasthan)
E-443-444, RIICO Industrial Area, Chopanki (Bhiwadi) -301707 (Rajasthan)
SIDCO Industrial Growth Centre, Samba -184121 (J&K)
IID Centre, Battal Ballian, Udhampur-182101 (J&K)
CH-21, GIDC Industrial Estate, Dahej District- Bharuch- 392130 (Gujarat)

Modern day technology has the potential to speed up the quantity and quality of crops. Good quality products play a vital role in not only fortifying the agricultural produce but also in bringing long-term benefits to the producers and users of these products alike. Insecticides (India) Ltd. has successfully transformed its fortune from a ₹ 32 crores Company to a ₹ 864 crores Company within a short span of 11 years. It has transitioned itself from a formulator to a research based technical synthesis Company. As a technology driven Company, it has expanded its product basket to include premium quality international products available at affordable prices to the farmers of India. It is constantly focusing on evolving its overall market and industry position by proceeding on the path originally carved for it. To achieve all this, it is working hard and tirelessly towards developing new technologies so that the stakeholders and customers can advance at every stage of evolution. As a Company always striving hard to produce best quality products in the reach of farmers, it is committed towards its promise of **DELIVERING VALUE THROUGH TECHNOLOGY.**





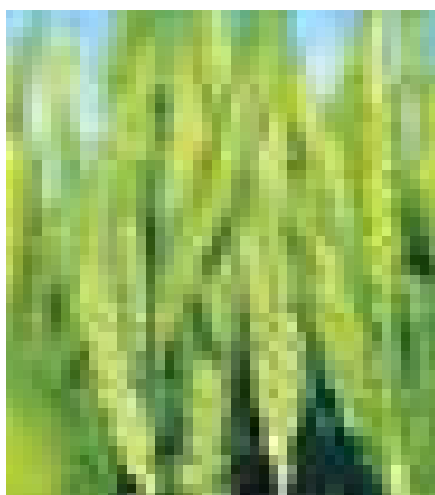
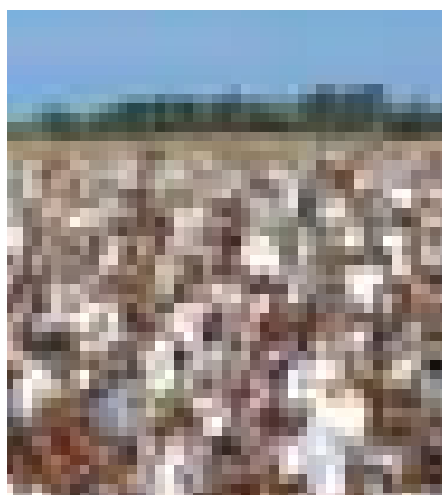
INVESTING FOR A BETTER TOMORROW

There has been a concerted focus on technological advancements with continuous investments in R&D



Insecticides (India) Ltd. is continuing on the strategy it has followed since inception-that of bringing cost-effective technologically advanced products to Indian threshold. In the process, Insecticides (India) Ltd. entered into international collaborations and marketing tie-ups, over the years, to bring in latest products at the service of its customers. Over the years, the Company has evolved itself through backward and forward integration to manufacture the products at its own threshold with the right expertise, knowledge and infrastructure. To this effect, there has been a concerted focus on technological advancements with continuous investments in R&D. As a result, the Company has brought itself to a level where its product basket has latest products compatible to the international market. The consistency in maintaining product quality and the ability and knowhow to create good quality and farmer friendly products has today made the Company the preferred and reliable source in the crop protection industry. True, it is today reaping significant economies of scale through backward integration.


Its equipped In-house R&D Center in Chopanki in Rajasthan is NABL accredited and equipped with latest machines and equipments. Its new center as a JV with Japanese company, OAT Agrio Co, Ltd. is engaged into invention of new agro chemical molecules. It is focused to serve International markets in the long run. The Indian farmers are expected to be benefitted at large, through this move, since the products suit local conditions.





CONNECTING & CONTRIBUTING

There is an ongoing endeavor
to become the “One-Stop-Shop”
for the customers of different
affordability levels



Through its widespread distribution network of 60, 000 dealers and over 4800 distributors, the Company has reached the length and breadth of the country. The extensive product basket that the Company has on offer is benefitting millions of farmers spread across different regions, economic scales and requirements. There is an ongoing endeavor to become the “One-Stop-Shop” for the customers of different affordability levels. Apart from manufacturing and distributing quality products, the Company is actively involved in disseminating knowledge on effective and efficient use. Through its various farm-friendly endeavors, the Company has been able to maximize the judicious use of products, ensure safety of the farmers and the produce and overall drive smooth productivity.

The Company has been working towards the benefit of the farmers in a big way. From striving to secure the right products through innovations to education on usage, all is being done to keep them in proximity to new developments around. Through its activities like “Jagrukta Abhiyan” and “Doctor Dada” campaign, Insecticides (India) Ltd. is continuously progressing in enhancing its farmer - connect to a firmer level. Its team of 400 techno commercial people work day and night with the farmers with the aim of providing them with the best.



A photograph of a male worker in a yellow hard hat and a blue long-sleeved shirt, focused on his work in a factory. He is wearing orange safety gloves and is positioned in front of industrial machinery. The background is slightly blurred, showing more of the factory environment. The overall lighting is somewhat dim, with a greenish tint.

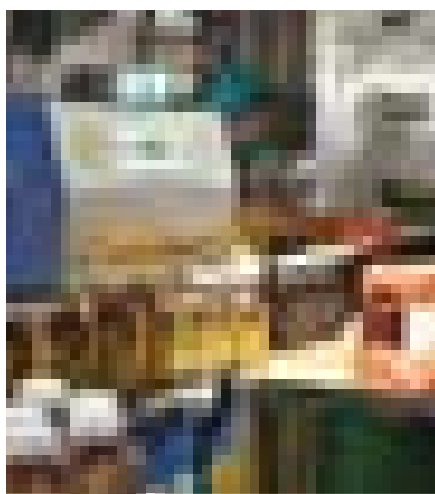
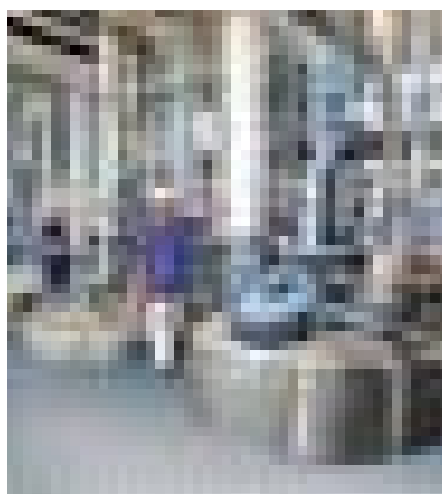
CAPACITY BUILDING

Today with 4 state-of-the-art
formulation facilities, ILL is
spearheading to become one of the
largest formulation capacities
in the industry



Insecticides (India) Ltd., since its commencement, has been working on enhancing its manufacturing capabilities. Automated plants and machines with least human touch has been a characteristic of its plants. The Company has successfully made itself ready with its technical synthesis capacities that provide the wide range of technical with the multi stream facilities. Today with 4 state-of-the-art formulation facilities, IIL is spearheading to become one of the largest formulation capacities in the industry. IIL is equipped with capacity for CRAMs and Contract Manufacturing and is looking for more such suitable opportunities to grow and enhance its market viability. All the international tie-ups that it has been doing are strategically in line with the long-term objectives of making its mark in the industry and emerging as a leader in its segment.

Its technical plants are capable of running 10 different streams of technical synthesis at relative ease. The Company has also launched two more products this year – Xplode and Logo, which are there to enhance the Company's expanding bouquet. Products introduced last year – Hakama, Nuvan and Pulsor have received a good response from the market. Insecticides (India) Ltd. is looking to expand its bouquet as wide as possible with more such advancements in near future.

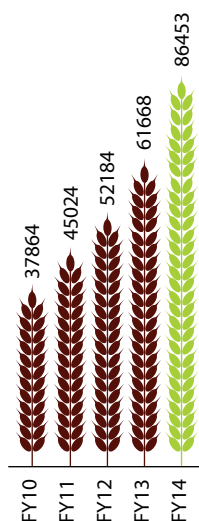


FINANCIAL HIGHLIGHTS

(₹ In Lacs)

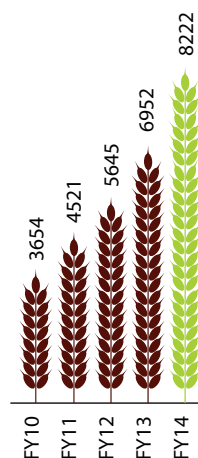
STATEMENT OF PROFIT & LOSS	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
Total Revenue	86453	61668	52184	45024	37864	26488	19921	18434	13354	10160
Earnings before Interest, Depreciation and Tax (EBDITA)	8222	6952	5645	4521	3654	2944	1970	1224	1312	873
Profit before Tax	4865	4640	4295	4126	3282	2415	1677	1011	1142	743
Profit after Tax	3994	3532	3302	3222	2822	2079	1427	857	1018	685
Retained Earnings	3549	3087	2933	2853	2526	1783	1204	857	965	685
BALANCE SHEET	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
Equity Capital	1268	1268	1368	1268	1268	1268	1268	947	930	775
Reserves & Surplus	23387	19954	16948	14206	11353	8813	7031	2456	1446	725
Net Worth	24293	20859	17852	15125	12260	9710	7915	3403	2547	1500
Borrowings	24264	20006	15340	3804	2190	1380	1496	1379	1139	503
Total Capital Employed	50708	42050	33482	19135	14618	11230	9513	4840	3733	2038
Net Fixed Assets	22427	18522	14322	9063	3259	2528	2006	1259	763	676
Earnings Per Share (Basics & Diluted)	31	28	26	25	22	16	25 & 12	9	11	9
Book Value	192	164	141	119	97	77	62	36	27	19

Total Revenue (₹ In Lacs)



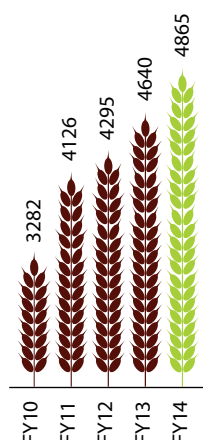
Total Revenue from Operations includes our Net Revenue as well as other Income. IIL reached ₹ 864 crores turnover at end of this year with a CAGR of 23%. More Revenue is a sign of achievement in terms of Cash balance and effective utilization of resources.

EBDITA (₹ In Lacs)



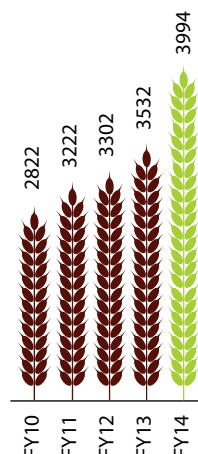
EBDITA also known as Earnings Before Interest, Taxes, Depreciation and Amortization is an indicator of the Company's sound financial performance. The Company has been improving on its performance in the past 5 years as depicted through CAGR of 22%.

Profit Before Tax (₹ In Lacs)



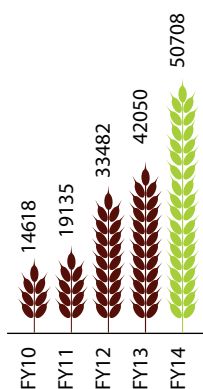
Profit Before Tax is the measure of the Company's profits from its operating, non-operating operations. It is an important metric as the tax expense is constantly changing and it gives an idea on the Company's profits or earnings from year to year. The PBT for Insecticides (India) Ltd. has been showing an upward trend over the years

Profit After Tax (₹ In Lacs)



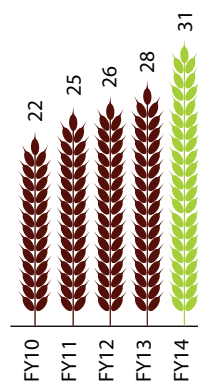
Profit After Tax for the Company has been consistently increasing over the years

Total Capital Employed (₹ In Lacs)



Over the last 5 years, Insecticides (India) Ltd. has upped its investment by 36% giving a clear message of continued focus on expansion and setting up of new plants.

Earnings Per Share (EPS) (In ₹)



Earnings per share are the portion of a Company's profit allocated to each outstanding share of common stock. The Company has seen an upsurge year on year in the earnings share going to its shareholders at CAGR of 9%.

A man with glasses, wearing a dark suit, white shirt, and a patterned tie, stands in an office. He is positioned in front of a large window that looks out onto a cityscape. His right hand is resting on a dark surface in the foreground. The text "FROM THE CHAIRMAN'S DESK" is overlaid in white, bold, sans-serif capital letters on the lower left side of the image.

FROM THE
CHAIRMAN'S
DESK

Dear Friends,

FY14 was the year of recovery from the economic slumber. Your Company, notwithstanding the slowdown, continued on its growth path through more and more technological advancements and continued focus on R&D. The Company's Joint Venture, signed last year with OAT Agrico Co. Ltd., Japan, is now ready with the R&D Centre and is in process of product development full-fledgedly.

Our latest international products Hakama, Pulsor and Nuvan, have received positive response from the farmer community. Today, IIL is equipped with 2 technical synthesis plants with multi-purpose streams where 15 different types of technicals can be produced, this is one of the largest in the country.

This year, we launched two new products Xplode and Logo. While we achieved a significant top line of INR 864 crores in FY14, it was not an entirely smooth journey. We also did face some glitches during the middle part of the year. However, we picked up soon through our concerted marketing drives. The array of products that we currently offer are high-quality and distinct ensuring effective cost to the farmers.

With the agriculture growth basking in the glory this year with 4.8% growth compared to 1.9% growth last year, we are confident that this would translate to increased demand for crop protection. As per the advanced estimates by the Ministry of Agriculture, the production of food grains is going to touch 129.32 million tonnes. The continued growth pertaining to demand from hyper retail segment shall also translate to growth of our industry in coming years on an even larger scale.

Given this optimistic outlook coupled with growth of disposable income with the people in India, there is a lot of positivity that we can look forward to capitalize on.

We remain responsible to the farmers of the country by working and progressing hand in hand with them. We intend to continue bringing more technologically advanced products to them. We are all set to deliver our promises with our world-class set of manufacturing facilities and also looking for avenues into more international tie-ups apart from expanding our reach within India.

I would also like to take the opportunity to thank the employees, board members, customers, partners, suppliers and all those who provided us with their support and vested their trust with us. I also assure you continuous efforts from your team at Insecticides (India) Ltd. to perform even better in the coming years.

Yours Sincerely,

H. C. Aggarwal
Chairman

INSECTICIDES (INDIA) – AN OUTLINE

ABOUT THE COMPANY

Acquiring the brands from Montari Industries, in 2003, IIL has come a long way today. Since inception, Insecticides (India) Ltd. has been focussing on bringing in technology driven products to the farmers. The Company has 120 brand formulations. It is also engaged into technical manufacturing, where it is growing expertise very swiftly.

Insecticides (India) Ltd. is a renowned name in the crop protection Industry. It has an extensive portfolio of 120 products constituting of insecticides, herbicides, fungicides and Plant Growth Regulators (PGRs) among others. The Company has a pan-India presence through its extensive network of over 4800 distributors and more than 60,000 dealers across the country. It is one of the few companies engaged into formulation, technical production and the research of agro chemicals simultaneously, which makes it moving towards full integration. The Company has emerged as a strong player in its core industry over the years.

VISION

This man provides over a billion people
with their prime basic necessity.

Food.

Who cares?



We do.

Hamari Fasal Hamari Santaan

is an initiative recently started by Insecticides (India) Limited to recognize and assert the role of the farmers and the responsibility on their shoulders.

A campaign, which will focus on training and development of the farmers in all parts of the country, updating them about the latest technologies, benefits of crop rotation like growing three crops in a year, income-benefits of cash crops, right use of agro chemicals, and latest in the industry.



PRODUCTS

- 120 formulation products
- 15 technical products.
- Insecticides, Herbicides, Fungicides and Plant Growth Regulators (PGRs)
- Its popular brand “Tractor Brand” is currently a household name in the Indian farming community.
- Lethal, Victor, Thimet, Hakama, Pulsor, Monocil, Hijack, Xplode and Nuvan are its Power Brands, called Navratna range of products.

LOCATION

Insecticides (India) Ltd. Limited is headquartered in Azadpur, Delhi. The R&D Centre of the Company is based out of Chopanki in Rajasthan. The Company has Four Formulation plants in Chopanki(Rajasthan), Udhampur (J&K), Samba (J&K) and Dahej (Gujarat). It has two technical synthesis plants at Chopanki (Rajasthan) and Dahej (Gujarat). It has its presence throughout the country with North and South being the primary markets. The Company has a strong dealer network, which keeps it connected to its farmer family.

BUSINESS STRATEGY

Strategically, the Company has been envisaging its long-term expansion plans pan India. The Company follows a two-fold strategy of bringing the best of products to its customers:-

Through backward integration: IIL manufactures off-patented technicals providing economies of backward integration to its formulated products, which is in tandem to opportunity created by patent expiry. This also ensures that the Company becomes self-reliant and progresses towards production of more such advanced products.

Through brand strategy: The Company also follows the strategy of bringing the brands and products through acquisition, collaboration and tie-ups.

With AMVAC, Netherlands, the Company signed a technical collaboration agreement to manufacture and market its products - Thimet and Nuvan in India. Both these products today are amongst the most successful products under the ‘Tractor’ brand of the Company. An agreement to market the products of Japan based Nissan corporation – Hakama and Pulsor has brought more success to the Company.

Its latest Joint Venture (JV) with OAT Agri Co., Ltd., a Japanese major, is to develop more molecules in India for international markets.

4800
distributors

60000
dealers



INSECTICIDES (INDIA) JOURNEY SO FAR!

● Incorporated as a Private Limited Company

1996

● Converted into a Public Limited Company



2001

● Started operations by commissioning formulation plant in Chopanki (Rajasthan)

2002

● Acquired leading brands of Montari Industries Ltd (Ranbaxy Group Company)

2003

● Commissioned second formulation plant in Samba (J&K)

2004

● Set up in-house R&D Center in Chopanki, Rajasthan
● Granted ISO 9001:2000 certification

2005

● Technical collaboration to manufacture and market the THIMET brand in India with American Vanguard Corporation, Netherlands

2006



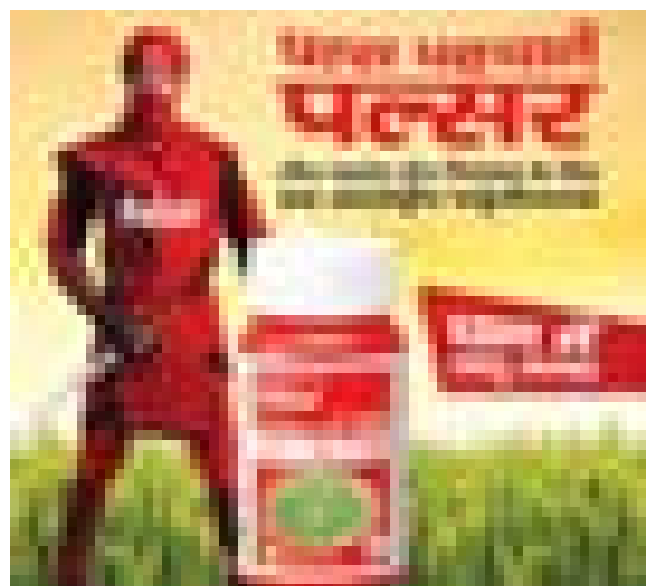


1

R&D
Centre

2

Technical
Synthesis Plant



4

Formulation
Plants



9 Leading Brands

15 Technical Products

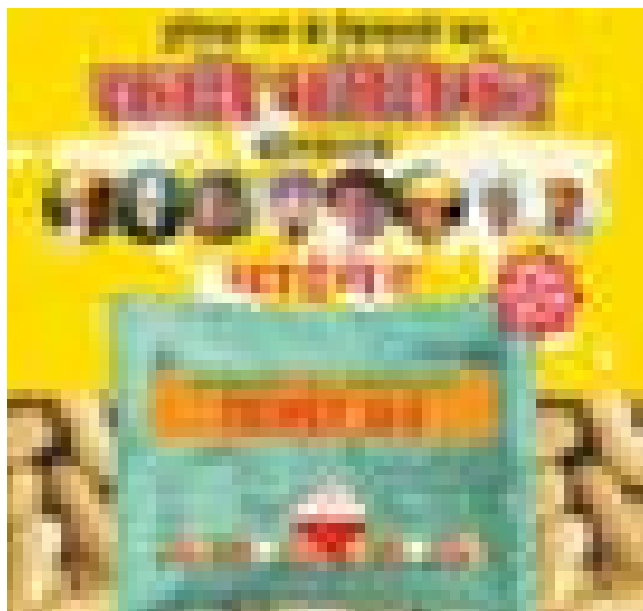


25 Depots & Branches



120 Formulation Products

1015 Employees



10 Lac Farmer's Lives Touched

THE INDIA innovative 100 BUSINESSES

CERTIFICATE OF EXCELLENCE

Insecticides (India) Limited

In recognition of smart innovation



Anuradha Das Mathur
Chairman, INDIA



Shreyans Singh
Managing Editor, INDIA

powered by
Aptus

powered by
bharti
communications

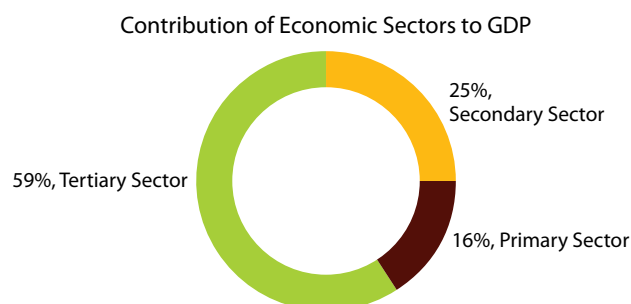
powered by
Emo

powered by
Wipro

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Indian Economy

Indian Economy has undergone a tremendous change over the past three decades. From being primarily agrarian it has continuously progressed towards secondary and tertiary sectors. Still agriculture continues to contribute extensively to the Indian GDP due to its significant implications on food security, employment and poverty.



Indian economy is projected to achieve a growth rate of 4.9% during the current year, which is higher than the 4.5% growth last year. Agriculture sector has put up a robust performance this year owing to good amount of rainfall and favorable demand conditions. The sector is expected to be finishing the year with 4.8% growth compared to 1.9 % growth last year. The Manufacturing sector is seen as de-growing by -0.2% this year compared to a growth of 1.1% last year. The tertiary sector overall continues to grow at a steady pace and is likely to achieve a 6.9% growth again this year.

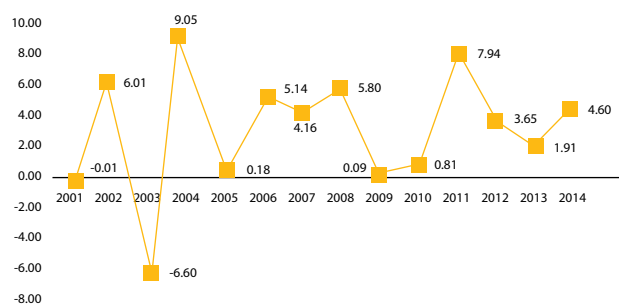
Source: Central Statistical Organization

Agriculture

With a progressive growth expected from the Agriculture sector at 4.8% against 1.9% in 2012-2013, Indian agriculture sector is on the growth path with a comparatively better off-state compared to the overall economy. Agriculture has been a source of livelihood along the length and breadth of Indian economy spreading to almost the entire country in a phased manner. As per a recent report, the agricultural population of

India grew by a whopping 50% between 1980 and 2011, the highest for any country during this period, followed by China with 33%, while that of the US dropped by 37% as a result of large-scale mechanization, which also shows the prominence of the sector in the country.

Growth in Agriculture



Source: Central Statistical Organization

Indian agriculture is characterized with seasonal and regional extremities making it vulnerable to the external and internal developments. The growth in agriculture sector can be attributed to many factors like improvement in infrastructural arrangements like roads, transportation, communication and electricity owing to raw material and other inputs required. Moreover, the development of retail sector also has specifically boosted the horticulture sector by establishing direct contacts with the farmers. This arrangement has given birth to the concept of 'contract farming', which has been gaining considerable ground since a couple of years.

The various kinds of crops and cash crops developed all across the country are produced in accordance to the below mentioned regional variations:

- The northern part of the country has a humid climate and alluvial soil type, which is more conducive to Wheat and Rice production. The hilly areas of the region are equipped for cultivation of fruits and vegetables apart from Maize.
- The eastern region, on the other hand, is characterized with relatively high rainfall and rice cultivation (volume wise)

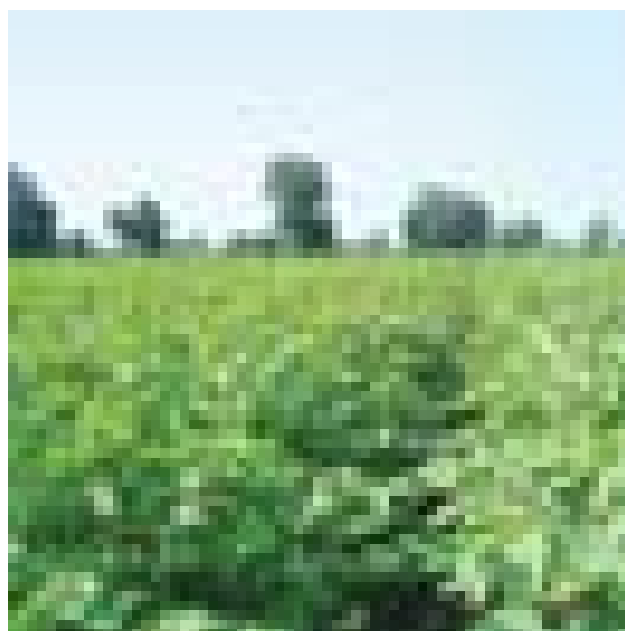
is apt for this part of the country. Fruits and vegetables are more in value terms in this region than rice. These regions are mostly rain-fed as the irrigation facilities or technological advancements are not very well adopted. The region is the least urbanized as well.

- The region with high levels of per capita income and decent urbanization is the western region. This region bestows itself with a blend of crops like oil seeds like groundnut and mustard, pulses, wheat, fruits and vegetables. The region has the largest chunk of average land holding but is significantly poor in irrigation and fertilizer use.
- Southern region is mostly rain-fed but has a good spread of irrigation facilities. Rice being the major crop is widely produced. Other crops produced here are oilseeds, cotton, pulses, fruits, vegetables and spices. This region is the most urbanized out of the four regions of the sub-continent.

With the growing food demand and the stagnant cultivable land, there is a need for India to boost its agricultural production tremendously. The vulnerability of the sector to external as well as internal factors like price rise, low purchasing powers, growing income and demand for nutritional food makes it even more evident that the sector requires deemed attention to be able to cope up with such intensifying needs.

Major challenges faced by the Indian agriculture today can be penned down as below:

- **Population Explosion:** By the year 2030, Indian population is expected to reach 1.5 billion and there is an urgent need to bring the necessary reforms to cope with the coming times. There would also be scarcity of land, water and energy, which could again foster the ongoing challenges to the existing sector.
- **Pest Attacks:** A recent study by ASSOCHAM reveals that the Crops worth ₹ 50,000 Crores are lost owing to pest and disease attack every year due to low pesticides consumption. India has a per hectare pesticide consumption of only 0.6 Kg compared to US (7 Kg/ha) and Japan (12 Kg/ha) (Source FICCI).
- **Climate:** Climate change is yet another factor that could bring in agrarian distress in India. With the extreme climatic conditions that the crops in India are subject to, the growing ecological imbalance is adding to the inconvenience. The nature also has a definite spell on the agricultural production, which can be observed from the seasonal pattern of the produce.



- **Demand Variance:** Shift in consumption patterns to modern nutrients or to fruits and vegetables of new and improved variety etc., makes the sector subject to challenges like quick adaptability and technological advancements. The farmers today need to keep themselves updated on the latest techniques of growing the crops in demand to have their market intact.

At the same time, higher agricultural prices provide an opportunity for farmers to produce and invest more, an incentive that is weakened by higher price volatility and higher input costs. Agriculture thus is subject to many instability factors but still the sector has been performing time and again squeezing the available resources at its disposal.

Indian Agro-chemical Industry

The growth of agrochemical industry is directly proportional to the growth of the agriculture sector. Any improved situation like increased purchasing power with the farmers to buy more of agro-chemicals is a further to the industry. The scope of the agro-chemical industry in India is quite wide given the fact that there is still a considerable part of the country not touched by the modern technology and irrigation facilities.

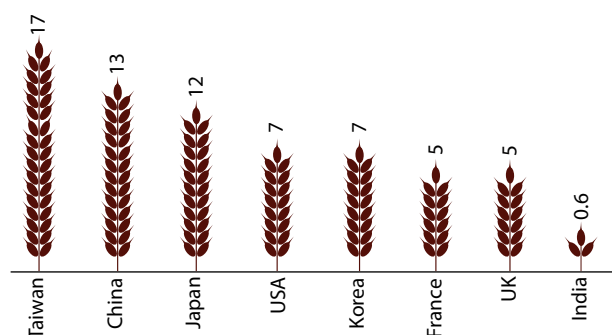
The use of high-yielding variety seeds also has not been able to offset the decline in usage of irrigation and fertilizers. There is an urgent requirement of educating the farmers to understand the need of proper irrigation and use of agro-chemicals to enhance productivity. Since, the cultivable land cannot be

further increased due to an aggressive industrial and residential demand due to urbanization, the only viable solution to bridge the demand-supply gap is through reduced crop losses through judicious and adequate use of agro-chemicals.

As per FICCI's 2013 report, India, over the last few years, spent only 0.6% of its agriculture GDP on R&D in agriculture, which is a minimal investment compared to other countries. There is a pressing need to focus more on the burning agendas like climate change, rising input prices, increasing production and energy costs, changing food preferences etc.

FICCI also maintains that India's agro-chemicals consumption is one of the lowest in the world with per hectare consumption of just 0.6 Kg compared to USA (7 Kg/ha) and China (13 Kg/ha), which highlights tremendous scope in this industry. The agrochemicals market in India is also characterized by low capacity utilization. The Pesticide usage in India is less than 2% of the global consumption and is confined to one-fourth of the total arable land of about 180 million hectares. The crop-protection industry in India is estimated at about ₹ 17,000 Crores and is growing at a compounded annual growth rate of about 15%, as per the report.

Agro-chemical Consumption (Kg/ha)



Source: FICCI

Key Challenges for the Industry

Amidst the wide scope of the industry in India, there are some formidable challenges that stand in the way of the Indian agro-chemical industry. While many companies in India as well as the World are able to apply their risk strategies to a considerable extent, some factors still make it difficult to be curtailed.

- **Monsoons:** The most apparent challenge is the advent and degree of monsoon that the country receives in a year. For

both Kharif and Rabi cultivation, rain is the most important factor and a good rain is always conducive to a good harvest and good business for the agro-chemicals market

- **Use of Bio Products:** The growing awareness amongst the farmers about the usage of bio-products is eating away the share of agro-chemicals from the Indian market.
- **Long Registration Period:** The Indian industry is subject to wait for longer gestation periods (close to 3-5 years) to get the registration done for a new product from CIB&RC, which discourages the domestic producers. International registration requirements are even more stringent. Clearance of the product post data generation is a costly affair.
- **R&D Investments:** The industry being a volatile offshoot of the wider chemicals market, mostly sees an advent of manufacturers from Global arena participate and produce generic products itself, which contributes to almost 65% of the business, globally. There is however, a lesser investment into new products as there is a huge R&D cost involved, which is not feasible for every small or middle cap player of the industry. Indian companies usually spend 1-2% of their turnover on R&D while corresponding spend by MNC's is 12-15%. (Source: FICCI)
- **Distribution Systems:** The smaller your reach, the poorer your market. The outreach of these companies has to be larger in view of the end users who are widespread. To this effect, these companies need to operate with good network of sellers and effective network. Most manufacturers operate with 400-1000 distributors catering to 25,000-30,000 retailers if they have a Pan India presence. Companies keep their stocks in warehouses or depots from where it is supplied to distributors.

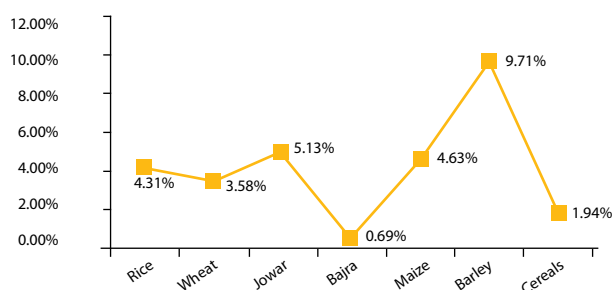
Industry Outlook

Given the scope and the nature of competition from across the Globe, there is imminent scope for the industry provided the necessities of the business are taken into consideration. The global agro-chemical industry is expected to witness good growth and reach at an estimated US \$68.5 billion in 2017 with a CAGR of 5.5% over the next five years. (Source: Lucintel's report). Going ahead, the Indian agro-chemicals sector is expected to grow at around 11.5% annually to reach US\$ 6.5bn by FY17 (Source: UBS Analyst report, January 2014). India, being a primarily Insecticides driven market previously, is experiencing a drift towards Herbicides and Fungicides

due to increase in demand for fruits and vegetables and pulses along with wheat and rice. The advent of retail, as already stated above, is another factor which is driving Indian agricultural product mix to alter in favor of more and more varieties of fruits and vegetables. With participation from leading corporate houses such as PepsiCo, Reliance Life Sciences, ITC (agri-business division) and McDonalds and Govt. initiatives in policy changes, the trend of contract farming is catching up in the Indian agriculture sector. This is leading to faster technology transfer and adoption and has led to greater market access. For a stipulated growth, the sector requires support of government and regulatory bodies as the domestic industry is largely fragmented with top five players accounting for only 57% of the total market share and no single player has over 20% share. (Source: ASSOCHAM)

Indian Financial budget, 2014-15, presents a very optimistic picture of the agriculture sector, given its performance this year. The sector is expected to grow at 4.6% this fiscal. As per the budget, the estimates of production of sugarcane, cotton, pulses and oilseeds point to a new record, which again presents a good prospect and scope for the Indian agro-chemicals industry.

Growth in Major Agriculture Crops over last year



Source: Department of Agriculture & Cooperation, (DAC), Ministry of Agriculture

With the kind of growth pertinent in the Indian agrarian sector, agro-chemicals industry surely has a long way to go. With more and more global alliances, Indian agrochemicals market is seeing a new dawn.

Insecticides (India) Ltd. - Business Overview

Insecticides (India) Ltd. has a Pan-India presence and operates mostly across all Indian states. The primary segments of the synthesis of technical grade agro chemicals and formulations of agro-chemicals for crops like paddy, cotton, wheat, sugarcane, vegetables and oilseeds. It has more than 120

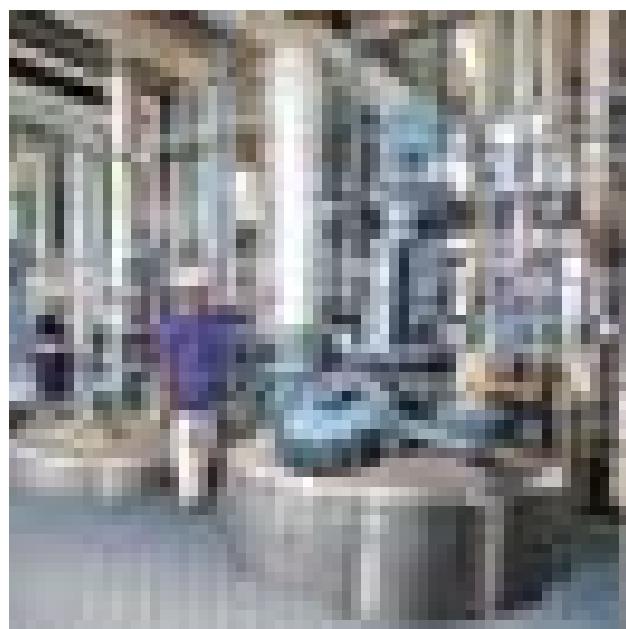
formulation products and 15 technical products to its name at present. Its brand umbrella "Tractor Brand" is a household name when it comes to Indian farm sector. While insecticides contribute more to its revenue every year, Insecticides (India) Ltd. is continuously driving its efforts towards Herbicides and Fungicides apart from other Plant Growth Regulators (PGRs).

Performance During the Year

The Company has had a good year, overall, with new developments that have brought viable prospects to it going forward.

The most significant of the developments are as under:

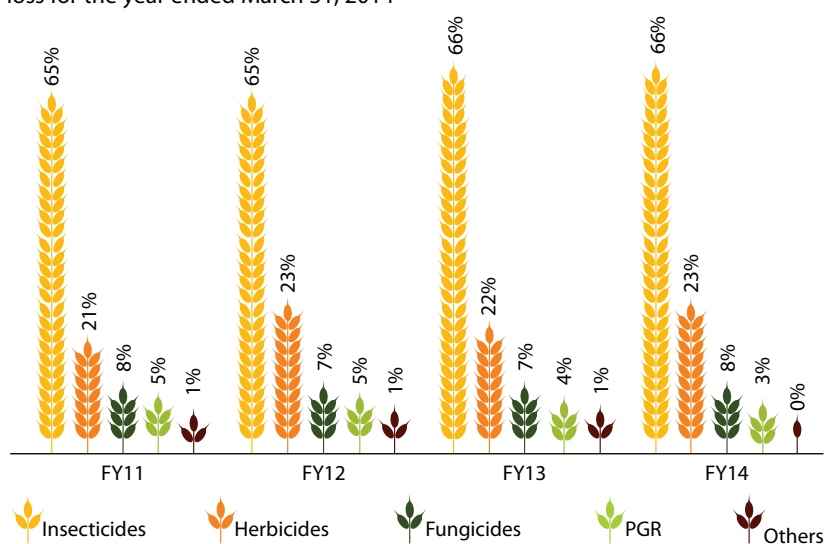
- Joint Venture with OAT Agrio Co., Ltd.:** The JV with OAT Agrio Co., Ltd., which was materialized last year, is an investment into future by the Company.
- Investment of ₹ 200 Crores over last 5 years:** The Company is completing its ₹ 200 crores expansion over the last five years in 2014. At present the Company has the capacity to produce 59250 MTs of formulations and 11800 MTs of technicals.
- Patent & Granted:** Insecticides (India) has been granted a patent for the preparation process of acetamiprid, an insecticide to control pests.



- **New products launched:** Insecticides (India) added another feather to its cap by introducing “Xplode”, a new product to deal with bollworms, which mostly impact pulses. Another product introduced during the year is Logo.
- **Good market response to the products launched last year:** Hakama, Pulsor and Nuvan, that were launched last year, have received a good market response and they are expected to do well for years to come.

Financial Statements Discussion

Statement of Profit and Loss: The retained earnings in the statement of profit and loss for the year ended March 31, 2014



Based on Brand Sales

is ₹ 3549 Lacs after providing for dividends, dividend tax and transfer to general reserve compared to ₹ 3087 Lacs in the previous year. With the stabilization of the Dahej facility, the Company expects to see a positive dawn with an improvement in the bottom line in coming years, starting FY 15.

- **Revenue:** Insecticides (India) Ltd. has touched ₹ 864 Crores turnover in the year. The revenue share of the Company from Herbicides is seen going up apart from Insecticides, which is in response to the growing demand. Of the total revenue, 78% was contributed by Formulations and 22 % by Technicals.
- **Operating Expenses:** The Company faced a rise in cost of materials consumed during the year at ₹ 55029 lacs, which was due to a general rise in input prices. However, as a % of sales, the Company was able to maintain its operating

expenses almost at the same level standing at 86% compared to 85% of revenue in FY 13. The employee benefit expenses also were maintained almost at the same level at 3% of sales compared to 4% of sales last year. There has been an increased focus on field/market development, which has seen the selling costs increase by 36% over last year.

- **Finance Costs:** There has been an upsurge in Finance costs for the Company in lieu of additional working capital requirements. The Company also suffered a foreign exchange loss equivalent to ₹ 788 Lacs during the year, out of which loss worth ₹ 540 lacs

occurred in the third quarter. The finance costs increased from ₹ 1735 Lacs to ₹ 2691 Lacs, an increase of 55%.

- **Capital Employed:** The Company has increased its capital employed from ₹ 42,050 Lacs to ₹ 50,708 Lacs, which is indicative of a considerable amount of investment being made into technology.
- **Profit After Tax:** The Company has earned a net profit of ₹ 3,994 Lacs compared to ₹ 3,532 Lacs last year, which is a clear indication of the progress the Company has been embarking upon.

Opportunities

- **Limited availability of Agricultural land:** With the limited and shrinking availability of land at the disposal of Indian farmers, there is a dire need of protecting the crops to have optimum utilization of the farms.

- **Adaptability of Farmers:** The biggest opportunity we foresee is the tremendous improvement in the adaptability of the farmers to the modern farming techniques. They are unfastening to the usage of different varieties of agro-chemicals, which presents the huge potential that this industry can bring in for the Company. As per an estimate from Indian Agricultural Research Institute (IARI), going forward the use of pesticides shall be viewed as cost effective as every ₹ 1 spent on pesticides shall give a benefit of ₹ 8 to the farmers.
- **Genetically Modified Seeds:** These seeds have an inherent capability of adapting to adverse natural disasters. Due to which, it is expected that there would be an increased need for agro-chemicals as and when the demand for these seeds picks up, as they invite other insects and also require more nutrients.
- **Low Per capita usage of pesticides-** The per capita usage of pesticides or crop protection is close to 600 grams in India compared to the world average of 1.5 Kg. This is a huge opportunity to tap given the advancements in agriculture.
- **CRAMs and Contract Manufacturing:** Insecticides (India) Ltd. has readied itself to enter the prospective third party manufacturing. The sector presents a huge opportunity in itself and the Company has been preparing for it through its R&D capacity and continuous focus on technology. The opportunity is appearing magnetic due to the presence of MNCs in India who have the technical know-how and capability to develop new molecules. The Indian players being cost-effective and technically skilled are better equipped to work on contract manufacturing than to append resources on discovering a new molecule.





- **International Tie-Ups:** The Company has been one of the pioneer in bringing in the international technology to the Indian soil through its international tie-ups and agreements. There is a lot to be done here and the Company is prepared for more in this sphere.
- **Patent Expiry-** The total viable opportunity through patent expiry is estimated at over USD 3 billion during the period of 2009-2014, as per a FICCI report. Patent expiry opens up the market for generic players in a huge manner, which will continue to be present for Insecticides (India) Ltd. in the coming years. The Company has filed for 8 process patents for its own products and has received confirmation on one recently.

Strengths

The major strengths of the Company are:

- One of the few Agro-chemical companies engaged into technical as well as formulation business.
- A successfully envisaged strategy for expansion through buying and re-launching of old brands, launching of global brands through collaborations and tie-ups.
- The equipped R&D Centre in Bhiwadi started in collaboration with Japanese company OAT Agrico Co Ltd., presents an opportunity to the Company to engage in the new product inventions.

- International tie-ups with AMVAC and Nissan for their products to be marketed in India under IIL's brand umbrella. Most accepted and diverse range of global products like Thimet, Vector, Lethal, Monocil, Pulsor and Hakama.
- Outreach to farmers through a strong chain of operations and backward integration.
- A multi-purpose technical synthesis setup that supports 15 different streams of technical synthesis at its facilities in Chopanki and Dahej.
- 4 state-of-the-art Formulation plants, 2 technical plants and 24 Depots spread across the length and breadth of the country.
- Internal R&D Centre, which is NABL accredited and approved by Department of Scientific and Industrial Research (DSIR)
- Channel partners in the form of 4800 Distributors and 60,000 Dealers, which contributes to smooth selling and reaching out to the end users all over India.

Risks and Threats

- **Consumer Preference Risk** – Agriculture production has to be conducive to the demand pattern to be useful. Due to this, the Company is under the risk of change in consumer preferences. However, the Company has been pioneering in adapting itself quickly to the observed and expected changes in the demand pattern through a drift in production. As an example, the Company has recently

enhanced its production of Herbicides in response to a recent changes.

- **Natural Risks:** The Company has digressed its operations to different and diverse varieties of Agrochemicals that could serve the farmer at different times as per the climatic conditions.
- **Raw Material Risks:** Insecticides (India) Ltd. has poised itself well in the agrarian part of India as a reasonable player when it comes to prices of its products. Rising raw material prices or input prices have therefore, been bit easier to be passed on to the farmers due to non-aggressive pricing mechanism.
- **Geographical Concentration Risks:** There is a potential risk, which could hamper the business if the market in a single geography is affected due to some reason or the other. Insecticides (India) Ltd. has been mitigating this risk by making aggressive attempts through concerted marketing and a strong distribution network to augment its presence all over India.
- **Technology Risk:** This risk has always been on the top priority for the Company as it has been focusing on the R&D and Technology upgrading and adoption since its inception. There has been an ongoing endeavor, which the Company follows religiously. The Company is trying to broaden the product basket in order to minimize this risk.
- **Investment Risk:** The nature of the business is such that the products are filed for registration after a lot of investment into R&D. If the products are rejected at the registration stage, the entire investment is lost. To mitigate this risk, the Company also looks for avenues in purchasing the technology or the technical formula.
- **Foreign Exchange Risk:** Due to its International supply mechanisms, there is a foreign exchange risk to the Company, however it mitigates it through suitable hedging mechanisms.

Internal Control System

The Company follows an adequate and systematic internal control system, which ensures a smooth operation throughout. The assets are well protected with all security arrangements. All transactions pass through specified hierarchy and a strict discipline is maintained in the recording of the same. The internal audit committee has been formulated, which takes care of audit and compliances being met. Apart from the in-house team, M/S

Devesh Parekh & Co. Chartered Accountants are engaged by the Company to ensure compliance of all statutory regulations.

The Enterprise Risk Management framework and Managing Director and CFO (Chief Financial Officer) certification as required under Clause 49 of the Listing Agreement with Stock Exchanges for controls testing pertaining to financial reporting, resulted in continuing improvement in internal control.

Human Resources

The Company considers its employees as its main assets. The employees are evaluated and reviewed on Key Result Areas (KRAs) to assess the skills and plan for their future growth under MDP. Training needs are identified to meet individual requirements through in-house training, on-the-job training and outdoor training as a continuous process. Trainings are classified on the basis of requirements like individual development on soft skills, professional & technical skills and management development program. Current efforts also include building skills, attracting and retaining talent and nurturing and developing leadership potential. The Company currently employees 1015 people.

Research and Development

Insecticides (India) Ltd. has been directing its focus on Research and Development for development of more technicals. Being one of the few companies engaged into



formulations and technicals, it is investing into R&D to rigorous extent at present. Looking ahead, the Company is intensifying its focus on continued improvements in Research and Development with a view to surge ahead in bringing the efficiency to Indian farm activities. The Company has NABL accredited research center, which has dedicated professional scientist who carry out a wide range of chemical reactions with an analytical support of GC, HPLC, GC Mass, AAS, UV and Infrared Spectrophotometer etc.

Environment, Safety and Health Parameters

The Company has been following a stringent policy for implementing an Environmental Management System (EMS) for meeting the purpose of organization's policy and objectives regarding environment. It aims at use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts. Occupational Health & Safety describes the Occupational Health & Safety Management System adopted by the Company, the elements of the OHSAS 18001:1999 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

"Agle Kadam", the social welfare program of the Company, has completed 7 successful years and is still going strong. Under this program, the Company has adopted villages and caters to the basic needs of the people pertaining to healthcare, education and women empowerment. The Company undertakes 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 and providing technical education to farmers about new and latest technologies etc., to increase their yield as well as income.

Identifying the need of information among farmers for their upliftment, your Company had also started a farmer awareness initiative called "JAGRUKTA ABHIYAN", almost five years ago, under which a 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 is all set to take this mission to a large scale in the coming years.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report and the Audited Accounts for the financial year ended March 31, 2014.

1. FINANCIAL RESULTS

(₹ In Lacs)

Particulars	Current Year March 31, 2014	Previous Year March 31, 2013
Revenue from Operations (Net)	86408.16	61667.93
Other Income	45.37	20.62
Total Income	86453.54	61688.55
Earnings before Depreciation, Interest & Taxation (EBDITA)	8221.87	6951.66
Less: Finance Costs	2691.17	1735.19
Depreciation	665.55	576.46
Profit before Taxation (PBT)	4865.15	4640.01
Less: Current Tax	1062.34	1109.94
Mat Credit Entitlement	(500.00)	(730.00)
Deferred Tax	308.55	728.30
Profit after Tax (PAT)	3994.27	3531.77
Amount Available for Appropriation	19045.93	15960.81
Proposed Final Dividend	380.49	380.49
Income Tax on the Proposed Final Dividend	64.66	64.66
Transfer to General Reserve	486.52	464.00
Balance Carried Forward to Balance Sheet	18114.26	15051.66

2. REVIEW OF PERFORMANCE

During the year under review, the Net Turnover of the Company rose to ₹ 86408.16 Lacs as against ₹ 61667.93 Lacs reported last year, registering a growth of 40%. The Company has earned Net Profit ₹ 3994.27 Lacs, as against the Net Profit of ₹ 3531.77 Lacs reported last year, registering a growth of 13%. 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 2013-14 (Previous Year ₹ 3.00 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 book closure date. The amount of dividend and the tax thereon aggregates to ₹ 380.49 Lacs and ₹ 64.66 Lacs.

4. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public under Section 58A and 58AA of the Companies Act, 1956 during the year under review. At 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

There is no any Subsidiary Company (ies) of the Company during the year under review.

7. DIRECTORS

The Board comprises of Eight Directors. During the year, there has been change in the composition of the Board.

In compliance of the Companies Act, 2013 and in pursuant of Clause 49 of the Listing Agreement with Stock Exchanges, the Company had appointed, Mr. Navneet Goel, Mr. Gopal Chandra Agarwal, Mr. Virjesh Kumar Gupta, Mr. Navin Shah and Mr. Anil Kumar Singh as Independent Directors.

In accordance with the provisions of Section 149 of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the notice of the forthcoming Annual General Meeting of the Company.

The Company has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with Stock Exchanges.

Further, Company has appointed three Key Managerial Personnel in the Company. Mr. Rajesh Aggarwal as Managing Director and WKMP, Mr. Sandeep Aggarwal as CFO and WKMP and Mr. Pankaj Gupta as CS and WKMP

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

The Statutory Auditors M/s Mohit Parekh & Co., Chartered Accountants having Firm Registration No.002067N hold office until the conclusion of the ensuing Annual General Meeting, is eligible for appointment. They have furnished the certificate of their eligibility for appointment as required under the Companies Act.

11. COST AUDITORS

M/s A.G.S. & Associates, Cost Accountants has reappointed as Cost Auditors of the Company for conducting audit of the cost records maintained by the Company in respect of Insecticides for the year 2014-15.

The cost audit report for the financial year 2012-13 issued by M/s A.G.S. & Associates, Cost Auditors, was filed with the Ministry of Corporate Affairs (MCA) with in time.

12. INVESTMENT

During the year, your Company has invested in the shares (as Portfolio Investment) of OAT Agrio Co., Ltd. (Formally known as Otsuka AgriTechno Co., Ltd.), Japan and also buy the stake of Joint Venture Company, OAT & IIL India Laboratories Private Limited.

13. 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. The Company has constituted the CSR Committee pursuant to Companies Act, 2013.

14. INSURANCE

The Company has taken the required insurance coverage for its assets against the possible risks like Fire, Flood, Public Liability, Marine, etc.

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

No Employee, other than Mr. Hari Chand Aggarwal, Chairman cum Whole-time Director and 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 Employees) Rules, 1975 as amended. Requisite details of Remuneration paid to Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal (From April 1, 2013 to March 31, 2014) pursuant to the said provisions, is as details herein:

Name	Hari Chand Aggarwal
Designation	Chairman cum Whole-time Director
Age	65 Years
Salary	₹75.99 Lacs
Qualification	High School
Total Experience	More than 40 Year
Previous Employment	HIM Pulverizing Mills Limited
Name	Rajesh Aggarwal
Designation	Managing Director
Age	44 Years
Salary	₹63.32 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, Allowances, Company's contribution to Provident Fund, Gratuity and Other Perquisites and Benefits valued as per the Income Tax Act, 1961.

16. 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.

17. 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 : August 14, 2014

FD-42, Vishakha Enclave,
Pitampura, Delhi-110034

ANNEXURE TO THE DIRECTORS' REPORT

(Under Section 217(1)(e) of the Companies Act, 1956)

Information as required Under Section 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.

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

Particulars		Current Year	Previous Year
Electricity			
a) Purchase – Chopanki Unit			
Units		360684	85056
Total Amount	(₹ In Lacs)	23.599	7.97
Average Rate/Unit	(₹)	6.54	9.37
b) Purchase – Samba Unit			
Units		375053	277825
Total Amount	(₹ In Lacs)	19.98	13.28
Average Rate/Unit	(₹)	5.33	4.78
c) Purchase – Technical Plant (Chopanki)			
Units		1309680	1194984
Total Amount	(₹ In Lacs)	82.23	72.22
Average Rate/Unit	(₹)	6.28	6.04
d) Purchase – Udhampur Unit			
Units		290832	55880
Total Amount	(₹ In Lacs)	16.73	7.45
Average Rate/Unit	(₹)	5.75	13.33
e) Purchase – Dahej Unit			
Units		10686510	4537800
Total Amount	(₹ In Lacs)	346.17	345.63
Average Rate/Unit	(₹)	3.24	7.62
f) Own Generation – Chopanki Unit			
(Through Diesel Generator)			
Unit	Ltr.	12761	11591
Total Amount	(₹ In Lacs)	6.44	4.91
Average Rate/Unit	(₹)	50.51	42.36
g) Own Generation – Samba Unit			
(Through Diesel Generator)			
Unit	Ltr.	24000	38500
Total Amount	(₹ In Lacs)	12.79	16.92
Average Rate/Unit	(₹)	53.30	43.95

Particulars		Current Year	Previous Year
h) Own Generation – Technical Plant (Chopanki)			
(Through Diesel Generator)			
Unit	Ltr.	25393	34590
Total Amount	(₹ In Lacs)	12.89	14.50
Average Rate/Unit	(₹)	50.78	41.91
i) Own Generation – Udhampur Unit			
(Through Diesel Generator)			
Unit	Ltr.	22200	34574
Total Amount	(₹ In Lacs)	11.99	10.84
Average Rate/Unit	(₹)	54.03	31.35
j) Own Generation – Dahej Unit			
(Through Diesel Generator)			
Unit	Ltr.	51116	72051
Total Amount	(₹ In Lacs)	29.95	35.08
Average Rate/Unit	(₹)	58.60	48.69
k) Own Generation – Dahej Unit			
(Through Gas)			
Unit	SCM	1805418	1723277
Total Amount	(₹ In Lacs)	704.18	625.10
Average Rate/Unit	(₹)	39.00	36.27
Coal (Quantity)			
Total Cost & Average Rate		Nil	Nil
Furance 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 with Foreign Organizations.
- Product and Process improvement 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)

(a) Specific areas in which R&D carried out

- Improvement in the overall Process, Inters of Quality, Time and Cost
- Process development for manufacturing of Technical Molecules

(b) Benefits derived as a result of the above R&D

- Improvement in Product Quality and
- Process development resulted in Cost and Time Reduction

(c) Future Plan of Action

- Development and Innovation of new Products and Process

(d) Expenditure on R&D

Particulars	Amount (₹ In Lacs)
Capital	30.28
Recurring	101.17
Total	131.45
Total R&D Expenditure as a percentage of the Turnover	0.15

Note: However the Company has invested ₹ 8 Crore towards the new Joint Venture, OAT and IIL India Laboratories Private Limited, which will be reflected in the Investments.

C. Foreign Exchange Earning & Outgo

- Information relating to Export is contained in the Annual Report
- Total Foreign Exchange Used and Earned

Particulars	Amount (₹ In Lacs)
Foreign Exchange Used	
(On Accrual Basis)	
Professional Charges	2.87
Sales Promotion	1.93
Tour & Travelling	6.43
Royalty	217.52
Interest	429.78
(On CIF Basis)	
Raw Materials	15818.48
Machinery	17.46
Total	16494.47
Foreign Exchange Earned	
Export Sales	231.82

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

(Hari Chand Aggarwal)
Chairman
DIN-00577015

Place : Delhi
Dated : August 14, 2014

FD-42, Vishakha Enclave,
Pitampura, Delhi-110034

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standard to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the Organization viz., the Board of Directors, the Senior Management, Employees etc.

The Company adopts and adheres to the best recognized corporate governance practices and continuously strives to better them.

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

Insecticides (India) Limited (ILL) defines Corporate Governance as a process directing the affairs of the Company with Integrity, Transparency and Fairness, so as to optimize its performance and maximize the long term shareholder value in legal and ethical manner, ensuring justice, courtesy, and dignity in all transactions of the Company. Your Company is committed to good Corporate Governance in all its activities and processes.

The Company maintains the optimum combination of Executive and Independent Directors having rich experience in related sectors for providing premeditated directions to the Company. The Board of Directors always endeavor to create an environment of Fairness, Equity and Transparency in transactions with the underlying objective of securing long term shareholder value, while, of the same time, respecting the right of all Stakeholders.

I. BOARD OF DIRECTORS

(A) Composition of Board

As on March 31, 2014, the 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 2013-14 which may affect their judgments in any manner. As on March 31, 2014, the composition of the Board of Directors was as under:

Sl. No.	Name of Directors	Designation of Directors/Category	No. of Position held in Other Companies	
			Board	Committees
1	Mr. Hari Chand Aggarwal	Chairman cum Whole-time Director/ Executive	None	None
2	Mr. Rajesh Aggarwal	Managing Director/ Executive	One	None
3	Mrs. Nikunj Aggarwal*	Whole-time Director/ Executive	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	One	None
7	Mr. Navin Shah	Independent/Non-executive Director	One	None
8	Mr. Anil Kumar Singh	Independent/Non-executive Director	None	None

* This includes directorship in Limited and Private Limited Company.

* In computation of the number, the committee other than the Audit Committee and the Shareholders and Investors Grievance Committee have not been taken into account.

None of the directors is a member of more than ten committees or acts as the chairman of more than five committees in all companies in which they are directors.

*During the year under review, 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 and has been approved the same by the members in their Annual General Meeting held on Tuesday, August 27, 2013.

(B) Information as required under Clause 49(vi) of the Listing Agreement in respect of Directors being appointed/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 Nomination & 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 year 2013-14, 10 (Ten) Board Meetings were held. The dates on which the said meetings were held are as follows:

Month	Date
May	May 2, 2013 & May 25, 2013 (Two)
July	July 26, 2013
August	August 12, 2013
September	September 30, 2013
November	November 11, 2013
December	December 18, 2013
February	February 12, 2014
March	March 13, 2014

The Last Annual General Meeting of your Company was held on August 27, 2013.

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

Sl. No.	Members	No. of Board Meetings Attended	AGM held on August 27, 2013 Attended
1	Mr. Hari Chand Aggarwal	10	Yes
2	Mr. Rajesh Aggarwal	10	Yes
3	Mrs. Nikunj Aggarwal	10	Yes
4	Mr. Navneet Goel	9	Yes
5	Mr. Gopal Chandra Agarwal	10	Yes
6	Mr. Navin Shah	2	No
7	Mr. Anil Kumar Singh	10	Yes
8	Mr. Virjesh Kumar Gupta	10	Yes

(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) Statutory Compliance of Laws

The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

(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 & Corporate 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, 2014. The Annual Report of the Company contains certificate duly signed by the Managing Director.

(H) Relationship among the Directors

Sl. No.	Name of Directors	Relationship with Other Directors
1	Mr. Hari Chand Aggarwal	Father of Mr. Rajesh Aggarwal and Father in law of Mrs. Nikunj Aggarwal
2	Mr. Rajesh Aggarwal	Son of Mr. Hari Chand Aggarwal and Husband of Mrs. Nikunj Aggarwal
3	Mrs. Nikunj Aggarwal	Son's wife of Mr. Hari Chand Aggarwal and Wife 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 3 (Three) Directors as members and all of them are Independent Directors.
- All members of the committee are financially literate and as on March 31, 2014, the Chairman Mr. Navneet Goel is having the requisite financial management expertise.
- The Chairman of the Audit Committee is an Independent Director.
- The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 27, 2013.
- 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.

The Committee comprises with Mr. Navneet Goel as Chairman and Mr. Gopal Chandra Agarwal & Mr. Anil Kumar Singh as Members.

(B) Meeting of the Audit Committee

During the year, the Audit Committee met 7 (Seven) times: May 2, 2013, May 25, 2013, July 26, 2013, August 12, 2013, September 30, 2013, November 11, 2013 and February 12, 2014. The Audit Committee Meetings were held at the Registered Office and Other Places. The proper quorum was present in all 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	7
Mr. Gopal Chandra Agarwal	Member	7
Mr. Anil Kumar Singh	Member	7

(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:

- Review of the Company's financial reporting process, the financial statements and financial / risk management policies.
- Recommend the Board on appointment / re-appointment of statutory auditors and fixation of audit fee and other fees to auditors.
- Review of the adequacy of the internal control systems in the Company.
- Review of the internal audit report.
- Discussions with management of the external auditors, the audit plan for the financial year and joint post-audit review of the same.
- Review of the quarterly and annual financial statement before submission to the Board.
- Disclosure of contingent liabilities.
- Review the quarterly and half yearly financial results and the annual financial statement before they are submitted to the Board of Directors.
- Review of compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions.
- To carry out any of the functions contained in the Corporate Governance Clause of the Listing Agreement.
- 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 Auditors.
4. The reports of Cost Auditors.

III. Subsidiary Company(ies)

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

IV. Nomination and Remuneration Committee**(a) Constitution and Composition of the Committee**

The Board of Directors had constituted Nomination and Remuneration Committee. The Committee comprises Mr. Virjesh Kumar Gupta as Chairman and Mr. Gopal Chandra Agarwal & Mr. Navin Shah as Members, all of them are Independent & Non-executive Directors. The Committee have met once for review and discussion on remuneration of Whole-time Director and along with other terms & conditions for appointment. The Company Secretary (who is also the compliance officer) was also present.

(b) Terms of Reference

The Committee is responsible for considering and approving the remuneration of the Managing/Executive Directors and recommending the fees payable to the Independent/Non-executive Directors.

(c) Payment of Remuneration/Sitting Fee to the Directors

Remuneration and Sitting Fees paid/payable to the Directors during the year 2013-14:

(₹ In Lacs)

Sl. No.	Name of Directors	Salary & Perquisites	Sitting Fees	Total
1.	Mr. Hari Chand Aggarwal	76.00	-	76.00
2.	Mr. Rajesh Aggarwal	63.32	-	63.32
3.	Mr. Sanjeev Bansal	0.50	-	0.50
4.	Mrs. Nikunj Aggarwal	11.81		11.81
5.	Mr. Navneet Goel	-	1.35	1.35
6.	Mr. Gopal Chandra Agarwal	-	1.50	1.50
7.	Mr. Navin Shah	-	0.30	0.30
8.	Mr. Anil Kumar Singh		1.50	1.50
9.	Mr. Virjesh Kumar Gupta		1.50	1.50

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 five years.

V. Stakeholders Relationship Committee

During the year, the Stakeholders Relationship Committee comprises of 3 (Three) directors viz. Mr. Gopal Chandra Agarwal as Chairman, Mr. Virjesh Kumar Gupta & Mr. Anil Kumar Singh as members, all of them being Independent & Non-executive Directors.

Mr. Pankaj Gupta, Company Secretary acts as Secretary to the Committee & has been designated as Compliance Officer.

During the year under review, the committee met 8 (Eight) times to review the investors' services rendered. All members of the committee has attended all the meetings held during the year which is under review.

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

During the year under review, 3 (Three) 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	1	1	Nil
2	Non-receipt of Annual Report	2	2	Nil
	Total	3	3	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 during the year.

(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

- Remuneration was paid to the Executive Directors during the year.
- Sitting Fees was paid to the Independent/Non-executive Directors.
- 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 has been no pecuniary relationship or transactions of the Independent/Non- executive Directors vis-à-vis the Company during the year under review.
- v) 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 the Directors present in Board of Directors Meeting.

(E) Whistle Blower Policy

The Company does not have any Whistle Blower Policy as of now but no personnel are 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 Listing Agreement	Compliance Status Yes/No	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	
III. Subsidiary Companies	49 (III)	N.A	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) Managing Director and CFO Certification**

A certificate, in accordance with the requirements of Clause 49 (V) of the Listing Agreement, duly signed by the Managing Director and Chief Financial Officer (CFO) in respect of the year under review was placed before the Board and taken on record by it.

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	Special Resolution Passed
2011	AGM	August 26, 2011	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	12.30 P.M.	Yes
2012	AGM	September 25, 2012	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	4.30 P.M.	No
2013	AGM	August 27, 2013	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054	9.30 A.M.	Yes

The Special Resolutions were passed in the Annual General Meetings except 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: All material information about the Company is promptly sent to the Stock Exchanges and the Company regularly updates the media and investor community about its financial as well as other organizational developments. .

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 and other stakeholders related information's 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, September 19, 2014 1.00 P.M. M. P. C. U. Shah Auditorium, Civil Lines, Delhi – 110 054
(ii) Financial Year	April 01, 2013 to March 31, 2014
(iii) Financial Calendar for Financial Year 2014-15	
Un-audited First Quarter Financial Results	Second week of August, 2014
Un-audited Second Quarter Financial Results	Second week of November, 2014
Un-audited Third Quarter Financial Results	Second week of February, 2015
Audited Annual Results	Last week of May, 2015
Annual General Meeting	September, 2015
(iv) Dividend	The Board of Directors have proposed a dividend of ₹ 3.00/- (30%) per Equity Share for the financial year 2013-14, subject to approval by the shareholders in the ensuing Annual General Meeting.
(v) Date of Book Closure	September 15, 2014 to September 19, 2014 (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 on Stock Exchanges and payment of Listing Fee	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 2014-15, 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 Stakeholders Relationship Committee (Investors Grievance/Transfer Committee) as and when required.

(xii) Dematerialisation and Re-materialisation of Shares and Liquidity

During the year under review, 6 (Six) shares were re-materialised.

(xiii) Share held in Physical and Electronic Mode as on March 31, 2014

Particulars	No. of Shares	% to Total Shareholding
Physical	494	0.01
Demat		
NSDL	11866861	93.56
CDSL	815611	06.43
Sub-Total	12682472	99.99
Total	12682966	100.00

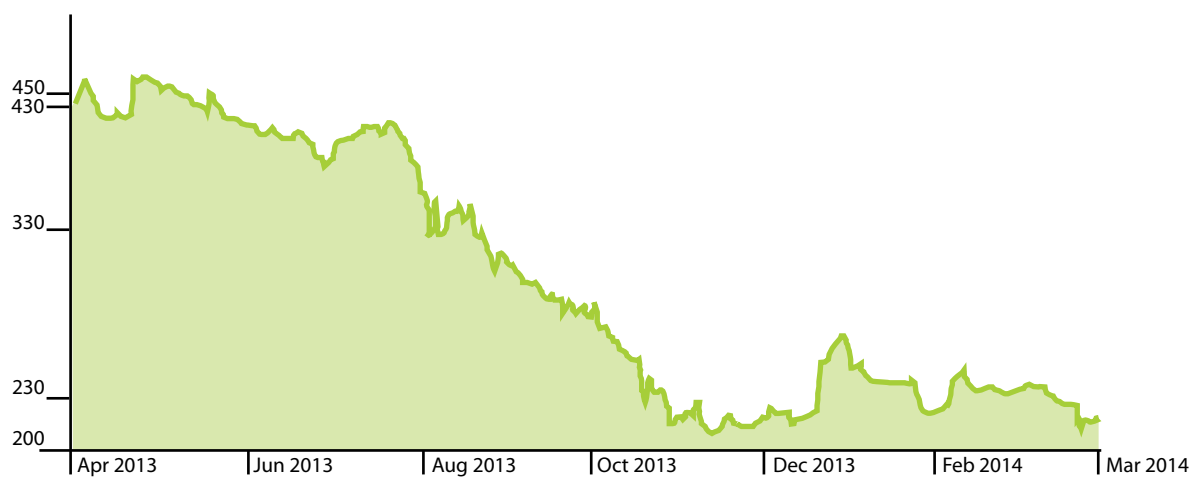
xiv) Stock Market Data & Share Price Performance in Comparison to Board Based Indices

The Company (IIL) vs BSE & NSE

	BSE			NSE		
2013	High	Low	Close	High	Low	Close
April	431.00	388.85	421.90	431.80	395.00	407.60
May	430.95	374.05	396.05	437.95	390.00	416.00
June	410.00	360.00	373.15	400.00	365.20	395.70
July	404.90	362.10	372.30	397.45	352.20	374.50
August	402.00	298.40	312.40	397.65	298.05	354.15
September	330.00	252.10	279.15	319.50	271.15	307.90
October	289.00	210.65	219.90	290.00	214.50	278.40
November	260.00	203.00	216.95	267.70	200.00	215.05
December	272.50	212.35	268.65	278.45	207.00	219.85
2014						
January	271.25	216.20	219.45	271.40	216.00	262.50
February	254.20	218.00	234.45	254.40	218.10	223.15
March	244.00	209.50	220.30	242.00	209.00	235.65

(Source: BSE & NSE website)

INSECTICIDES (INDIA) Share Price BSE



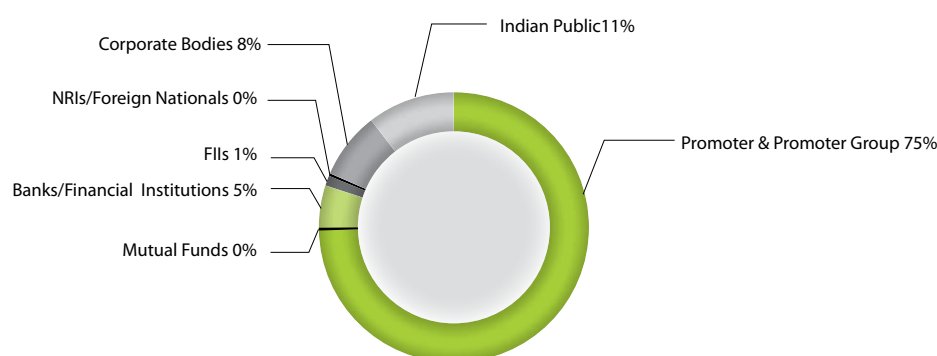
(Source: BSE website)

(xv) Distribution of Shareholdings

Share Ownership Pattern as on March 31, 2014

Category	No. of shares held	% of Share-holding
Promoter and Promoter Group	9472700	74.69
Mutual Funds	Nil	Nil
Banks / Financial Institutions	675460	5.33
FII's	152490	1.20
NRIs / Foreign Nationals	41134	0.32
Corporate Bodies	1014069	8.00
Indian Public	1327113	10.46
TOTAL	12682966	100.00

INSECTICIDES (INDIA) LIMITED
Shareholding Pattern as on March 31, 2014



Promoters Shareholding as on March 31, 2014

Category	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 10 (Ten) Public Shareholding as on March 31, 2014

Category	No. of shares held	% to total Shareholding
Life Insurance Corporation of India	675000	5.32
Zealous Financial Services Private Limited	272916	2.15
Vinod Infotech Private Limited	117351	0.93
Fidelity Northstar Fund	100000	0.79
Kinetic Capital Services Limited	65000	0.51
SMC Global Securities Limited	62326	0.49
Competent Finman Private Limited	61205	0.48
Fiducian India Fund	52490	0.41
Om Prakash Aggarwal	50520	0.40
Dhampur Alco-cha Limited	46500	0.37
Sanjay Aggarwal	45759	0.36

Shareholding Pattern by Size

Category (No. of Shares)	Holders	Shares Held	% age
1 – 100	4666	169748	1.34
101 – 500	1303	330897	2.61
501 – 1000	234	175921	1.39
1001 – 5000	161	327279	2.58
5001 – 10000	21	164044	1.29
10001 – 20000	12	173548	1.39
20001 – 30000	5	123838	0.97
30001 – 40000	3	107800	0.85
40001 – 50000	4	180383	1.42
50001 – 100000	7	466541	3.67
100001 – 500000	3	559967	4.41
500001 – Above	8	9903000	78.08
Total	6427	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

As stipulated by SEBI, a qualified company secretary in practice conducts the Reconciliation of Share Capital Audit of the Company for the purpose of reconciliation of total admitted capital with the depositories, i.e. NSDL and CDSL, and the total issued and listed capital of the Company.

The company secretary in practice conducts such audit in every quarter and issues a Reconciliation of Share Capital Audit Certificate to this effect to the Company. A copy of such audit report is submitted to the stock exchanges, where the Company's shares are listed and is also placed before the Stakeholders Relationship Committee.

(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.

(xix) Plant Locations

Presently, your company is a manufacturing unit and having 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 – 184 121 (J&K)
4. II D Centre, Battal Ballian, Udhampur – 182 101 (J&K)
5. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch – 392 130 (Gujarat)

(xx) Address for correspondence

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

The Company Secretary & Compliance Officer

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

DECLARATION BY MANAGING DIRECTOR

I, Rajesh Aggarwal, Managing Director of Insecticides (India) Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended March 31, 2014 compliance with the Code of Conduct of the Company laid down for them.

Place : Delhi

Dated : August 14, 2014

(Rajesh Aggarwal)

Managing Director

DIN-00576872

FD-42, Vishakha Enclave,
Pitampura, Delhi-110034

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, 2014, 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

Mohit A Parekh
Partner

M. No. – 81069

Firm Regn. No.002067N

Place : Delhi

Dated : August 14, 2014

FINANCIAL STATEMENTS

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 ('the Company')**. Which comprise the Balance Sheet as at March 31, 2014, 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 notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. 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 Financial Statements give the information required by the Companies Act, 1956, 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, 2014;
- b) in the case of the Statement of **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 notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place : Delhi
Dated : May 28, 2014

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

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

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

1. In respect of its Fixed Assets
 - a. The Company 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, Firm(s) or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956:
 - a) The Company has not obtained Unsecured Loans from the Companies, Firm(s), or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) (the order) are not applicable to the company and hence not commented upon.
 - b) The Company has not granted any Loans Secured or Unsecured to the Companies, Firm (s) or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) (the order) are not applicable to the company and hence not commented upon.
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, we have not noticed any continuing failure to correct major weakness in such Internal Control System of the Company.
5. In respect of the contracts or arrangements referred to in 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 Under Section 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 ₹ 5 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, 2014 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 ₹ 695.72 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	Central Sales Tax	2009-10	Sales Tax Tribunal, Jammu	14.42
4.	Sales Tax Act	Central Sales Tax	2008-09	Appellate Authority, Sales Tax, Nagpur	15.93
5.	Sales Tax Act	Central Sales Tax	2010-11	Dy. Commissioner of Sales Tax (Appeals) – Jammu	415.77
6.	West Bengal VAT Act	VAT	2010-11	Appellate Authority, Sales Tax,	12.22

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 and 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, the Company is not dealing or trading in Shares, Securities, Debentures and Other Investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
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.
18. During the year, the Company has not made any Preferential Allotment of Shares to Parties, Firm(s) 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. During the course of our examination of the books & records of Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor we have been informed of any such case by the Management.

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

(MOHIT A. PAREKH)
Proprietor

M.No.- 081069

Firm Regn. No. – 002067N

Place : Delhi
Dated : May 28, 2014

BALANCE SHEET

AS AT MARCH 31, 2014

(₹ In Lacs)

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
A EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	3	1268.30	1268.30
(b) Reserves & Surplus	4	23387.29	19953.97
		24655.59	21222.27
Non-current Liabilities			
(a) Long-term Borrowings	5	3020.70	3008.12
(b) Deferred Tax Liabilities (Net)		1326.66	1018.10
(c) Other Long-term Liabilities	6	428.93	483.53
(d) Long-term Provisions	7	32.64	57.04
		4808.93	4566.79
Current Liabilities			
(a) Short-term Borrowings	8	21242.90	16997.45
(b) Trade Payables	9	20360.41	13067.64
(c) Other Current Liabilities	10	6452.51	4918.61
(d) Short-term Provisions	11	1617.01	2441.32
		49672.83	37425.02
TOTAL		79137.35	63214.08
B ASSETS			
Non-current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		16663.16	13651.08
(ii) Intangible Assets		392.39	383.70
(iii) Capital Work-in-progress		5371.90	4486.88
		22427.45	18521.66
(b) Non-current Investment	13	1108.54	-
(c) Long-term Loans and Advances	14	474.47	560.23
(d) Other Non-current Assets	15	627.21	473.60
		24637.67	19555.49
Current Assets			
(a) Inventories	16	31165.97	22535.04
(b) Trade Receivables	17	12787.43	11650.59
(c) Cash and Cash Equivalents	18	903.37	469.11
(d) Short-term Loans and Advances	19	6626.58	7229.60
(e) Other Current Assets	20	3016.33	1774.25
		54499.68	43658.59
TOTAL		79137.35	63214.08
Summary of Significant Accounting Policies	1 to 2		
Notes on Financial Statements	3 to 51		

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 28, 2014

HARI CHAND AGGARWAL

CHAIRMAN
(DIN-00577015)

NIKUNJ AGGARWAL

WHOLE TIME DIRECTOR
(DIN-06569091)

SANDEEP AGGARWAL

CHIEF FINANCIAL OFFICER

RAJESH AGGARWAL

MANAGING DIRECTOR
(DIN-00576872)

PANKAJ GUPTA

COMPANY SECRETARY

STATEMENT OF PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED ON MARCH 31, 2014

(₹ In Lacs)

Particulars	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations (Gross)	21	92253.55	65017.06
Less: Excise Duty		5845.38	3349.13
Revenue from Operations (Net)		86408.17	61667.93
Other Income	22	45.37	20.62
Total Revenue (I)		86453.54	61688.55
EXPENSES			
Cost of Raw Material and Components Consumed	23	55028.87	37119.10
Purchase of Traded Goods	24	10184.18	4157.77
(Increase)/Decrease in Inventories of Finished Goods,	25	(5062.02)	192.31
Work-in-progress and Traded Goods			
Employee Benefits Expense	26	2930.40	2492.32
Depreciation and Amortization Expense	27	665.55	576.46
Finance Costs	28	2691.17	1735.19
Other Expenses	29	15150.24	10775.39
Total (II)		81588.39	57048.54
Profit/(loss) before Tax (I-II)		4865.15	4640.01
Tax Expenses			
Current Tax		1062.34	1109.94
Mat Credit Entitlement		(500.00)	(730.00)
Deferred Tax		308.55	728.30
Total Tax Expenses		870.89	1108.24
Profit/(Loss) for the year		3994.26	3531.77
Earnings per Equity Share [Nominal Value of Share ₹10]			
(March 31, 2014: ₹ 10)			
Basic & Diluted		31.49	27.85
Summary of Significant Accounting Policies	1 to 2		
Notes on Financial Statements	3 to 51		

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 28, 2014

HARI CHAND AGGARWAL
CHAIRMAN
(DIN-00577015)

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
(DIN-06569091)

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

RAJESH AGGARWAL
MANAGING DIRECTOR
(DIN-00576872)

PANKAJ GUPTA
COMPANY SECRETARY

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

(₹ In Lacs)

PARTICULARS	For the year 2013-14	For the year 2012-13
(A) Cash Flow From Operating Activities		
Net Profit Before Tax	4865.15	4640.01
Adjustment for		
- Depreciation	665.55	576.46
- (Profit)/ Loss on Sale of Assets	15.74	(109.80)
- Preliminary Expenses Written Off	1.97	2.34
- Interest Income	(21.47)	(20.62)
- Interest Expenses	1586.80	1187.02
Operating Profit Before Working Capital Changes	7113.74	6275.41
Adjustments for		
- (Increase)/Decrease in Trade Receivable	(1136.84)	(2729.16)
- (Increase)/Decrease in Inventories	(8630.93)	(2293.37)
- (Increase)/Decrease in Other Current Assets	(1243.41)	(625.57)
- (Increase)/Decrease in Short Term Loans & Advances	36.42	(1866.08)
- (Increase)/Decrease in Long Term Loans & Advances	85.77	(229.14)
- Increase/(Decrease) in Trade Payable	7292.77	1221.53
- Increase/(Decrease) in Long Term Liabilities	(54.60)	260.81
- Increase/(Decrease) in Other Current Liabilities	1123.04	907.90
- Increase/(Decrease) in Provision for Expenses	17.75	13.63
	4603.71	935.96
Less: Income Tax/ Wealth Tax	(837.80)	(1068.67)
Less: Preliminary Expenses Incurred	0.00	0.00
Net Cash From Operating Activities (A)	3765.91	(132.71)
(B) Cash Flow From Investing Activities		
- Addition to Fixed Assets	(4618.93)	(4974.52)
- Sale of Fixed Assets	31.85	308.64
- Interest Income	21.47	20.62
- (Addition) Disposal/Sales of Investments	(1108.54)	
Net Cash From Investing Activities (B)	(5674.15)	(4645.26)
(C) Cash Flow From Financing Activities		
- Proceeds from Borrowing/Loans	4374.45	5027.53
- Interest paid	(1586.80)	(1187.02)
- Dividend Paid/ Payable	(380.49)	(317.07)
- Distribution Tax Paid/Payable	(64.66)	(51.44)
Net Cash From Financing Activities (C)	2342.50	3472.00
Net Cash Flow during the year (A+B+C)	434.26	(1305.97)
Cash and Cash Equivalents Opening Balance	469.11	1775.08
Cash and Cash Equivalents Closing Balance	903.37	469.11

NOTES:-

- 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.
- 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

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 28, 2014

HARI CHAND AGGARWAL
CHAIRMAN
(DIN-00577015)

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
(DIN-06569091)

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

RAJESH AGGARWAL
MANAGING DIRECTOR
(DIN-00576872)

PANKAJ GUPTA
COMPANY SECRETARY

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2014

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

These Financial Statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The Financial Statements are prepared on accrual basis under the Historical Cost Convention. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles.

B. USE OF ESTIMATES

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

C. TANGIBLE FIXED ASSETS (OWNED)

Fixed Assets are stated at cost of acquisition Net of Recoverable Taxes, Trade Discounts and Rebates and includes all attributable cost for bringing the assets to its working condition for its intended use less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Fixed Assets.

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

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

D. INTANGIBLE ASSETS

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

E. LEASED ASSETS

The Company do not have any Leased Assets.

F. DEPRECIATION, AMORTISATION & DEPLETION

Depreciation on Fixed Assets has been provided on Straight Line Method 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 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.

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

J. FOREIGN CURRENCY TRANSACTIONS

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

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

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

S. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

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

T. Claims by or against the Company are accounted when acknowledged/ accepted/ settled/ received.

U. Interest on Late Payments by the Customers & to the Suppliers and differential interest to the Bankers are accounted for on acceptance basis.

V. The Bonus is accounted for on accrual basis.

W. The Company has already initiated the process and entitled for subsidy on account of certain revenue and capital nature of expenditures incurred at Samba, Udhampur & Dahej Units in earlier years. The Company's policy is to account for subsidy 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 ENTILEMENTS

The Company is liable to pay income tax Under Section 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

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised Shares		
15000000 (Previous Year 15000000) Equity Shares of ₹10/- Each	1500.00	1500.00
Issued, Subscribed & fully Paid-up Shares		
12682966 (Previous Year 12682966) Equity Shares of ₹10/- Each	1268.30	1268.30
(Out of the above shares 1550500 Equity Shares are allotted as Fully Paid up Bonus Shares)		
Total Issued, Subscribed and Fully Paid-up Share Capital	1268.30	1268.30

3(a). Reconciliation of the Shares Outstanding at the Beginning and at the End of the Reporting Period

Equity Shares	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	(₹)	Number of Shares	(₹)
At the Beginning of the Period	12682966	126829660	12682966	126829660
Issued during the Period	-	-	-	-
Outstanding at the End of the Period	12682966	126829660	12682966	126829660

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, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.00 (Previous Year ₹ 3.00)

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

Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
	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
Life Insurance Corporation of India	675000	5.32	675000	5.32

4. RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Securities Premium Account	3518.15	3518.15
(b) General Reserve		
Opening Balance	1656.13	1192.13
Add: Transferred from surplus in Statement of P&L	486.52	464.00
Closing Balance	2142.65	1656.13
(c) Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	15051.66	12429.04
Add: Profit / (Loss) for the year	3994.27	3531.77
Less: Appropriations		
Proposed Final Equity Dividend (Amount Per Share ₹3.00 (31 March 2013: ₹3.00)	(380.49)	(380.49)
Tax on Proposed Equity Dividend	(64.66)	(64.66)
Transfer to General Reserve	(486.52)	(464.00)
Closing Balance	18114.26	15051.66
(d) Foreign Currency Translation Reserve	(387.77)	(271.97)
Total Reserves and Surplus	23387.29	19953.97

5. LONG TERM BORROWINGS

(₹ In Lacs)				
Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Non-current Portion		Current Maturities	
(a) Term Loans				
Indian Rupee Loan from Banks - Vehicle Loans (Secured)	62.15	69.96	102.60	117.38
Indian Rupee Loan from Banks - Term Loan (Secured)	-	-	-	-
Foreign Currency Loan from Banks (Secured)	2958.55	2938.16	1434.65	1009.00
Indian Rupee Loan from Gujarat Industrial Development Corporation (GIDC) Term Loan - (Secured)	-	-	-	-
(b) Loans & Advances from Related Parties				
Unsecured	-	-	-	-
Total Amount	3020.70	3008.12	1537.25	1126.38

5(a) Nature of Security and Terms of Repayment for Secured Borrowing

- (i) 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 10.50% to 12% per annum.
- (ii) The Foreign Currency outstanding loan amounting to ₹ 1128.37 Lacs (Previous Year - ₹1401.31 Lacs) has been secured by the first charge over Plant and Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (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.
- (iii) The Foreign Currency outstanding loan amounting to ₹ 2059.75 Lacs (Previous Year - ₹ 2545.85 Lacs) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (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 paid on quarterly basis at Libor plus 3.5%. Further, the company has entered into the derivative contract for hedging of interest rate swaps.
- (iv) The Foreign Currency outstanding loan amounting to ₹ 1205.08 Lacs (Previous Year -NIL) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (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 16 quarterly instalments. The interest is to paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

6. OTHER LONG TERM LIABILITIES

(₹ In Lacs)		
Particulars	As at March 31, 2014	As at March 31, 2013
Trade/Security Deposits Received from Customers	279.07	224.16
National Research Development Corporation (TDDP)	96.73	100.00
Due To GIDC, Gujarat	53.13	159.37
Total Amount	428.93	483.53

7. LONG TERM PROVISIONS

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Provision for Employee Benefits		
(i) Provision for Gratuity	-	-
(b) Provision for Foreign Exchange Loss (M to M)	32.64	57.04
Total Amount	32.64	57.04

8. SHORT TERM BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Loans Repayable on Demand From Banks (Secured)	10832.50	4000.00
(b) Cash Credit from Banks (Secured)	8765.16	9973.76
(c) Buyers Credit Loans (Secured)	1645.24	3023.69
Total Amount	21242.90	16997.45

Working Capital Loans (Demand Loan, Cash Credit & Buyers Credits) from banks are secured by first pari passu charge over present and future stock & book debts and moveable fixed assets of the company. These loans are additionally secured by equitable mortgage on pari passu basis over Lands & Buildings of the company and residential property of the director at Pitampura Delhi and negative lien on company's Samba Unit (J&K) Udhampur Unit (J&K) and 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 ₹621.94 Lacs during the year (P.Y. - ₹966.88 Lacs).

9. TRADE PAYABLE

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables (including Acceptances)	20360.41	13067.64
Total Amount	20360.41	13067.64

10. OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Current Maturities of Long-term Borrowings	1537.24	1126.38
Unpaid Dividend	3.51	3.13
Other Payables		
(i) Statutory remittances (Contributions to PF and ESIC, Prof. Tax, Withholding Taxes, Excise Duty, VAT, Service Tax, TDS etc.)	246.09	201.03
(ii) Advances from Customers	2,663.40	1810.28
(iii) Cheques sent for Collection	61.24	45.95
(iv) Debtors having Credit Balance	1219.53	1048.56
(v) Creditors for Capital Expenditure	260.47	284.74
(vi) Expenses Payable	461.03	398.54
Total Amount	6452.51	4918.61

11. SHORT TERM PROVISIONS

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Provision for Employee Benefits		
(i) Provision for Bonus	119.53	101.78
(b) Provision - Others		
(i) Provision for Income Tax	1,050.00	1,892.64
(ii) Provision for Wealth Tax	2.33	1.75
(iii) Proposed Equity Dividend	380.49	380.49
(iv) Provision for Tax on Proposed Equity Dividend	64.66	64.66
Total Amount	1,617.01	2,441.32

(₹ In Lacs)

Capitalized Borrowing Costs

(₹ In Lacs)

Financial Statements / 61

13. NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
In Shares		
- Unquoted Fully paid-up-At Cost (In J.V and Parent Co. of J.V)		
(a) OAT & IIL India Lab.(P) Ltd. (795000 Equity Shares @ ₹100/- Each) (P.Y -NIL) (F.V-₹100/-)	795.00	-
(b) OAT Agrio Co.Ltd. 18200 Shares @ ₹1722.75 (F.V-₹1/-)	313.54	
Total Amount	1,108.54	-

14. LOANS AND ADVANCES (NON CURRENT)

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Advances		
Secured, Considered Good	-	-
Unsecured, Considered Good	-	-
Doubtful	-	-
	-	-
Security Deposit		
Secured, Considered Good	148.57	68.39
Unsecured, Considered Good	-	-
Doubtful	-	-
	148.57	68.39
Advances Recoverable in Cash or Kind		
Secured Considered Good	-	-
Unsecured Considered Good	-	-
Doubtful	-	-
	-	-
Other Loans and Advances		
Advance Income-tax	-	-
Prepaid Expenses	-	-
Loans & Travel Advances to Employees	-	-
Balance with Central Excise, VAT Authorities, etc.	325.90	491.84
	325.90	491.84
Total Amount	474.47	560.23

15. OTHER NON CURRENT ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unamortised Expenses		
Share Issue Expenses etc.	362.88	363.52
Unamortised (Gain)/Loss on Foreign Currency	264.33	110.08
Total Amount	627.21	473.60

16. INVENTORIES

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Raw Materials	11137.26	7759.49
At Cost or Market Price, Whichever is Lower (On Weighted Average Basis)		
Goods-in-transit	812.12	636.54
(b) Finished Goods (Manufactured)	13681.62	9789.56
(Cost of Production or Net Realizable Value, Whichever is Lower)		
Goods-in-transit	132.89	
(c) Stock-in-trade (Traded Goods)	2167.83	1342.91
At Cost (On Weighted Average Basis)		
(d) Packing Materials	1260.79	1363.56
At Cost (On Weighted Average Basis)		
Goods-in-transit	33.80	22.67
(e) Semi - finished Goods	1899.03	1553.99
(At Weighted Average Cost)		
(f) Stores, Spares Parts & Fuel	40.63	65.36
At Cost (On Weighted Average Basis)		
Goods-in-transit	-	0.96
Total Amount	31165.97	22535.04

17. TRADE RECEIVABLES

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
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	556.21	741.54
Doubtful	27.05	5.66
	583.26	747.20
Other Trade Receivables		
Secured, Considered Good		-
Unsecured, Considered Good	12204.17	10903.39
Doubtful		-
	12204.17	10903.39
Total Amount	12787.43	11650.59

18. CASH AND CASH EQUIVALENTS

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Cash on Hand	26.63	20.36
(b) Balances with Banks		
(i) In Current Accounts	447.17	375.78
(ii) In Earmarked Accounts Unpaid dividend accounts	3.51	3.13
(iii) Fixed Deposits with Bank	426.06	69.84
Including Interest Accrued of ₹783653		
Total Amount	903.37	469.11

19. LOANS AND ADVANCES (CURRENT)

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Advances		
Secured, Considered Good	-	-
Unsecured, Considered Good	215.32	309.47
Doubtful	-	-
	215.32	309.47
Security Deposit		
Secured, Considered Good	-	-
Unsecured, Considered Good	-	-
Doubtful	-	-
	-	-
Advances Recoverable in Cash or Kind		
Secured Considered Good	1936.86	2633.20
Unsecured Considered Good	-	-
Doubtful	-	-
	1936.86	2633.20
Other Loans and Advances		
Advance Income-tax	803.64	1870.24
Prepaid Expenses	137.18	142.59
Loans & Travel Advances to Employees	19.45	21.62
Balance with Central Excise, VAT Authorities, etc.	2284.13	1522.48
MAT Credit Entitlement	1230.00	730.00
	4474.40	4286.93
Total Amount	6626.58	7229.60

20. OTHER CURRENT ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Excise Duty Involved in Stocks lying with the Various Branches	2810.58	1694.25
Interest Recoverable	100.40	74.90
Insurance Claim Recoverable	60.24	0.32
Other Recoverable - Sales Tax Department	41.67	3.45
Preliminary Expenses not written off or adjusted		1.33
Export Incentive Recoverable	3.44	
Total Amount	3016.33	1774.25

21. REVENUE FROM OPERATIONS

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Sale of Products		
Finished Goods	79876.22	58668.19
Traded Goods	12376.94	6346.82
Sale of Scrap	0.39	2.05
Revenue from Operations (Gross)	92253.55	65017.06
Less: Excise Duty	5845.38	3349.13
Revenue from Operations (Net)	86408.17	61667.93

DETAILS OF PRODUCTS SOLD

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Finished Goods Sold		
Liquid	39116.82	31649.00
Powder	12273.75	8842.79
Granules	19692.18	11013.71
Technicals	8793.47	7162.69
Total	79876.22	58668.19
Traded goods sold		
Liquid	6867.50	4022.31
Powder	1250.32	486.79
Granules	1016.06	999.25
Raw Materials & Packing Materials	3243.06	838.47
Total	12376.94	6346.82
Grand Total	92253.16	65015.01

22. OTHER INCOME

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Interest Income on		
Fixed Deposits with Bank	17.32	16.22
[Tax Deducted At Source ₹170950 (P.Y.- ₹170464)]		
Others	4.15	0.62
Total	21.47	16.84
Other Non-operating Income	23.90	3.78
Total Other Income	45.37	20.62

23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Raw Material		
Inventory at the Beginning of the Year	8396.03	6086.77
Add: Purchases	52136.46	35230.86
	60532.49	41317.63
Less: Inventory at the End of the Year	11949.39	8396.03
Cost of Raw Material Consumed	48583.10	32921.60
Packing Material		
Inventory at the Beginning of the Year	1386.23	1269.57
Add: Purchases	6354.13	4314.16
	7740.36	5583.73
Less: Inventory at the End of the Year	1294.59	1386.23
Cost of Packing Material Consumed	6445.77	4197.50
Total Cost of Raw Material and Components Consumed	55028.87	37119.10

24. DETAILS OF PURCHASE OF TRADED GOODS

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Liquid	5314.33	3535.75
Powder	1116.19	79.15
Granules	583.33	542.87
Cost of Traded Goods	3170.33	
Total	10184.18	4157.77

25. (INCREASE)/DECREASE IN INVENTORIES

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
(Increase)/ Decrease in Traded Goods		
Closing Stocks	2167.83	1342.91
Less: Opening Stocks	1342.91	1177.62
(Increase)/Decrease in Closing Stock	(824.92)	(165.29)
(Increase)/Decrease in Finished Goods		
Closing Stocks	13681.62	9789.56
Less: Opening Stocks	9789.56	10152.60
(Increase)/Decrease in Closing Stock	(3892.06)	363.04
(Increase)/Decrease in Semi-finished Goods		
Closing Stocks	1899.03	1553.99
Less: Opening Stocks	1553.99	1548.55
(Increase)/Decrease in Closing Stock	(345.04)	(5.44)
TOTAL (A+B+C)	(5062.02)	192.31

DETAILS OF INVENTORY

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Traded goods		
Liquid	1903.75	1235.55
Powder	177.57	28.41
Granules	86.51	78.95
Total	2167.83	1342.91
Finished goods		
Liquid	8056.64	6182.03
Powder	2078.25	1615.78
Granules	2925.35	1276.17
Technicals	621.38	715.58
Total	13681.62	9789.56

26. EMPLOYEE BENEFIT EXPENSE

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Salaries Wages and Bonus	2661.64	2252.84
Contribution to Provident Fund, ESI and Other Fund	101.76	93.27
Gratuity Expense	41.03	39.78
Staff Welfare Expenses	125.97	106.43
Total	2930.40	2492.32

27. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Depreciation of Tangible Assets	631.21	567.17
Amortization of Intangible Assets	34.34	9.29
Total	665.55	576.46

28. FINANCE COSTS

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Interest		
Interest on CC Limits & Buyer's Credit & Demand Loan	1533.39	1145.37
Interest (Others)	33.07	18.15
Interest on Term Loans	20.33	19.72
Interest on Unsecured Loans	-	3.78
Bank Charges	316.10	136.39
Net (Gain) / Loss on Foreign Currency Transactions and Translation (Considered as Finance Cost)	788.28	411.78
Total	2691.17	1735.19

29. OTHER EXPENSES

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Manufacturing Expenses		
Consumption of Stores and Spares	324.87	201.97
Job Work Charges	-	1.50
Power and Fuel Expenses	1225.58	463.56
Freight Inward	210.03	176.83
Conveyance Expenses	67.80	56.19
Repairs and Maintenance (Machinery)	133.99	85.86
Repairs and Maintenance (Buildings)	16.54	22.75
Repairs and Maintenance (Others)	64.89	43.65
Pollution Control Expenses	69.02	56.12
Entry Tax /Toll Tax	61.54	37.59
Laboratory Expenses	44.34	42.81
	2218.60	1188.83
Selling & Distribution Expenses		
Discounts & Rebates Allowed	6324.31	5088.05
Freight Outward	2201.84	1218.88
Business Promotion Expenses	1601.64	1057.24
Performance Incentive	218.27	191.46
Lekage/Demonstration/Testing / Tender Fees	27.33	13.19
Advertisement & Publicity Expenses	150.73	134.03
Royalty	217.52	194.02
Sales Commission	624.77	419.61
Travelling and conveyance	629.34	487.15
	11995.75	8803.63
Administrative & General Expenses		
Rent (Including Lease Rental)	133.37	123.66
Insurance	81.40	71.08
Telephone Expenses	34.29	31.16
Printing and Stationery	25.52	22.11
Legal and Professional Fees	155.48	115.33
Director Sitting Fees	6.91	6.09
Payment to Auditors	20.22	16.85
Professional Tax	0.13	0.15
Electricity & Water Charges	48.16	36.72
Rates and taxes	11.68	4.57
Repairs and Maintenance (Others)	3.34	6.10
Conveyance Expenses	2.54	2.18
Postage & Telgramme Expenses	9.50	8.45
Filing Fees	0.32	0.58
Licence Fees	0.55	1.73
Office & Factory Maintenance Expenses	25.47	35.47
Membership & Subscription	6.75	4.78
Vehicle Running & Maintenance Expenses	31.43	31.69
Security Charges	60.19	54.77
Donation	24.48	15.71
TDS (Interest Paid)	0.07	-
Scooter Running & Maintenance Expenses	2.56	2.39
Fine & Penalties	3.21	2.46
Computer Running & Maintenance Expenses	53.46	75.13
Generator Repair & Maintenance Expenses	2.25	7.44
Books & Periodicals	0.37	0.53
Additional Sales Tax	4.38	0.07
ISO Expenses	1.59	1.21
Research & Development Expenses	101.17	117.94
Preliminary Expenses Written off	1.97	2.34
Petty Balance Written off	1.36	0.64
Loss on Sale of Fixed Assets (Net)	15.73	(109.81)
Loss due to Fire (Stock)	-	3.19
Loss due to fire (Assets)	-	16.11
Miscellaneous Expenses	57.70	59.09
Prior Period Items (Net)	8.34	15.02
	935.89	782.93
Total	15150.24	10775.39

PAYMENT TO AUDITORS

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Audit Fees	13.48	12.35
Tax Audit Fees	3.37	2.25
In Other Capacity (Taxation & Other Matters)	3.37	2.25
Total	20.22	16.85

30. 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	2013-14	2012-13
Profit after Taxation (₹ In Lacs)	3994.27	3531.77
Weighted Average Number of Equity Shares	12682966	12682966
Earning Per Share (Basic & Diluted)	₹ 31.49	₹ 27.85
Face Value Per Share	₹ 10	₹ 10

31. 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 of 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

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
I. Assumptions		
Discount Rate	8.25%	8.25%
Rate of Return on Plan Assets	8.70%	8.70%
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	170.64	133.27
Interest Cost	14.08	11.33
Current Service Cost	27.17	22.30
Benefit Paid	(11.47)	(10.20)
Actuarial (Gain)/Loss on obligations	14.94	13.94
Liability at the end of the year	215.36	170.64

(₹ In Lacs)

Particulars	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
III. Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	211.58	120.90
Expected Return on Plan Assets	18.41	10.28
Contributions by Employer	48.83	90.00
Benefit Paid	(11.47)	(10.20)
Actuarial Gain/(Loss) on Plan Assets	0.17	0.60
Fair Value of Plan Assets at the end of the year	267.52	211.58
Total Actuarial Gain/(Loss) To be Recognized	(14.77)	(13.34)
IV. Actual Return on Plan Assets		
Expected Return on Plan Assets	18.41	10.28
Actuarial Gain/(Loss) on Plan Assets	0.17	0.60
Actual Return on Plan Assets	18.58	10.88
V. Amount Recognized in the Balance Sheet		
Liability at the end of the year	267.52	170.64
Fair Value of Plan Assets at the end of the year	215.36	211.58
Difference	52.15	40.94
Unrecognized Past Service Cost	-	-
Amount Recognized in the Balance Sheet	52.15	40.94
VI. Expenses Recognized in the Statement of Profit & Loss		
Current Service Cost	27.18	22.30
Interest Cost	14.08	11.33
Expected Return on Plan Asset	(18.41)	(10.28)
Actuarial (Gain) or Loss	14.77	13.34
Expenses Recognized in the Statement of Profit & Loss	37.61	36.69
VII. Balance Sheet Reconciliation		
Opening Net (Liability)/Asset	40.94	(12.37)
Expense Recognized in the Statement of Profit & Loss	(37.61)	(36.69)
Employers Contribution	48.83	90.00
Net (Liability)/Asset Recognized in Balance Sheet	52.15	40.94
VIII. Category of Assets		
Insurer Managed Funds	267.52	211.58
Total	267.52	211.58

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.

32. 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)

Particulars	Formulations		Technical's		Un-Allocated		Eliminations		Total	
	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
Segment Revenue (Sales/Income)										
a) External Sales	77172.16	54511.93	9236.00	7156.00	-	-	-	-	86408.16	61667.93
b) Inter Segmental Sales	-	-	12109.00	9922.00	-	-	12109.00	9922.00	-	-
Sales	77172.16	54511.93	21345.00	17078.00	-	-	12109.00	9922.00	86408.16	61667.93
Segment Result										
Operating Profit before Interest and Taxes	-	-	-	-	6430.48	5810.19	-	-	6430.48	5810.19
Less : Interest Expenses	-	-	-	-	1586.80	1187.02	-	-	1586.80	1187.02
Add : Profit on Sale of Investment	-	-	-	-	-	-	-	-	-	-
Add : Dividend Income	-	-	-	-	-	-	-	-	-	-
Add : Interest income	-	-	-	-	21.47	16.84	-	-	21.47	16.84
Profit Before Tax	-	-	-	-	4865.15	4640.01	-	-	4865.15	4640.01
Current Tax(Net of MAT Credit)	-	-	-	-	550.00	200.00	-	-	550.00	200.00
Deferred Tax	-	-	-	-	308.55	728.30	-	-	308.55	728.30
Wealth Tax	-	-	-	-	2.33	1.75	-	-	2.33	1.75
Provision for Taxes of Earlier year	-	-	-	-	10.00	178.19	-	-	10.00	178.19
Profit After Tax	-	-	-	-	3994.27	3531.77	-	-	3994.27	3531.77
Other Information										
Segment Assets	-	-	-	-	79137.35	63207.43	-	-	79137.35	63207.43
Segment Liabilities	-	-	-	-	49672.83	37394.72	-	-	49672.83	37394.72
Capital Expenditure	2668.81	3697.54	1813.29	1003.35	136.83	273.63	-	-	4618.93	4974.52
Depreciation	162.70	140.00	381.57	346.46	121.28	90.00	-	-	665.55	576.46
Non-Cash Expenditure	1.59	1.18	0.38	1.16	-	-	-	-	1.97	2.34

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.

33. 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. Sh. Hari Chand Aggarwal	6. Sh. Vrijesh Kumar Gupta
2. Sh. Rajesh Aggarwal	7. Sh. Gopal Chandra Agarwal
3. Sh. Sanjeev Bansal (till April 30, 2013)	8. Sh. Navin Shah
4. Smt. Nikunj Aggarwal (from May 2, 2013)	9. Sh. Anil Kumar Singh
5. Sh. Navneet Goel	

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 Ltd.	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

(₹ In Lacs)

Sr. No.	Name of Related Parties	Relationship	Nature of Transaction	2013-14	2012-13
1	Sh. Hari Chand Aggarwal	Chairman	Directors Remuneration	75.60	56.70
			Perquisites	0.40	-
2	Sh. Rajesh Aggarwal	Managing Director	Directors Remuneration	63.00	63.00
			Perquisites	0.32	-
3	Sh. Sanjeev Bansal	Whole-time Director	Directors Remuneration	0.50	6.30
4	Smt. Nikunj Aggarwal	Whole-time Director	Directors Remuneration	11.52	-
			Perquisites	0.30	-
5	Sh. Vrijesh Kumar Gupta	Director	Sitting Fee	1.50	0.45
6	Sh. Navneet Goel	Director	Sitting Fee	1.35	1.20
7	Sh. Gopal Chandra Agarwal	Director	Sitting Fee	1.50	1.20
8	Sh. Anil Kumar Singh	Director	Sitting Fee	1.50	1.20
9	Sh. Navin Shah	Director	Sitting Fee	0.30	1.05
10	ISEC Organics Limited	Associate Company	Rent	33.71	26.97
			Loan Taken	-	95.00
			Interest Paid	-	3.78
			Loan Repaid	-	120.00
11	Paras Agro Industries	Associate Firm	Purchases	138.00	126.45
12	Evergreen Mineral Ind.	Associate Firm	Purchases	261.54	210.65
13	Smt. Pushpa Aggarwal	Director's wife	Sale of Flat	85.00	-
14	OAT & IIL India Laboratories Private Limited	Joint Venture	Rent Received	5.50	-

(ii) Transactions during the year with Related Parties

(₹ In Lacs)

Sr. No.	Name of Related Parties	Relationship	Nature of Outstanding	As at March 31, 2014	As at March 31, 2013
1	Sh. Hari Chand Aggarwal	Chairman	Remuneration Payable	3.87	3.75
2	Sh. Rajesh Aggarwal	Managing Director	Remuneration Payable	3.48	2.09
3	Sh. Sanjeev Bansal	Whole-time Director	Remuneration Payable	NIL	0.30
4	Smt. Nikunj Aggarwal	Whole-time Director	Remuneration Payable	0.83	NIL
5	Paras Agro Industries	Associate Firm	Trade Payable	NIL	17.45
6	Evergreen Mineral Industries	Associate Firm	Trade Payable	NIL	36.03
7	ISEC Organics Ltd.	Associate Company	Rent Payable	3.24	9.33

34. DEFERRED TAX LIABILITIES

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

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Tax Assets	NIL	NIL
Deferred Tax Liabilities (Related to Depreciation)	1326.66	1018.11
Deferred Tax Liabilities		
At the end of the year	1326.66	1018.11
For The Year	308.55	728.30

35. PAYMENT TO AUDITORS (Net of Service Tax)

(₹ In Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
As Auditors		
Audit Fees	12.00	11.00
Tax Audit Fees	3.00	2.00
In Other Capacity		
Taxation & Other Matters	3.00	2.00
TOTAL	18.00	15.00

36. Remittance in Foreign Currency on account of Dividend: Nil

37. COST OF IMPORTED MATERIALS CONSUMED**A. RAW MATERIAL CONSUMED**

Particulars	2013-14		2012-13	
	Amount (₹ in Lacs)	Percentage	Amount (₹ in Lacs)	Percentage
Imported	14704.28	30.27	10747.93	32.65
Indigenous	33878.82	69.73	22173.67	67.35
TOTAL	48583.10	100.00	32921.60	100.00

B. PACKING MATERIALS & COSUMABLE STORES CONSUMED

Particulars	2013-14		2012-13	
	Amount (₹ in Lacs)	Percentage	Amount (₹ in Lacs)	Percentage
Imported	-	-	-	-
Indigenous	6770.64	100.00	4399.47	100.00
TOTAL	6770.64	100.00	4399.47	100.00

C. RAW MATERIAL, PACKING MATERIALS & COSUMABLE STORES CONSUMED

Particulars	2013-14		2012-13	
	Amount (₹ in Lacs)	Percentage	Amount (₹ in Lacs)	Percentage
Imported	14704.28	26.56	10747.93	28.80
Indigenous	40649.46	73.44	26573.14	71.20
TOTAL	55353.74	100.00	37321.07	100.00

38. VALUE OF IMPORTS (ON CIF BASIS)

(₹ In Lacs)

Particulars	2013-14	2012-13
Raw Materials	15818.48	12379.21
Machinery	17.46	24.12

39. EXPENDITURE IN FOREIGN CURRENCY

(₹ In Lacs)

Particulars	2013-14	2012-13
Tour & Travelling Expenses	6.44	3.73
Royalty	217.52	194.02
Sales Promotion	1.93	1.53
Professional Charges	2.87	8.55
Interest	429.78	423.20

40. INCOME IN FOREIGN CURRENCY (FOB)

(₹ In Lacs)

Particulars	2013-14	2012-13
Export Sales	231.82	18.47

41. CONTINGENT LIABILITIES

(₹ In Lacs)

S. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Letter of Credits (FLC & ILC)	13326.63	5185.47
(b)	Bank Guarantee	424.57	209.75
(c)	Import Bills Accepted with Banks	563.55	294.25
(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 Nagpur	15.93	NIL
(h)	Sales Tax Matter with Sales Tax Tribunal, Jammu (J & K) (Period covered 2009-2010)	144.22	144.22
(i)	Sales Tax Matter with Dy. Comm. of Sales Tax, Jammu (J & K) (Period covered 2010-2011)	415.77	-
(j)	Sales Tax Matter with Appellate Authorities (West Bengal) (Period Covered 2010-11)	12.22	-

(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 (j) 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.

42. Estimated amount of contract remaining to be executed on capital accounts (net of advances) & not provided for ₹ 950 Lacs (Previous year ₹ NIL)
43. 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.
44. 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.
45. The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India.
46. The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2014 is ₹ 1312.75 Lacs (Previous Year- ₹ 856.70 Lacs).
47. 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.
48. 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.
49. 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.

50. DERIVATIVES INSTRUMENTS & UNHEDGED FOREIGN CURRENCY EXPOSURE

- (a) The nominal amount of derivative contracts entered into by the Company and outstanding as on March 31, 2014 amounts to ₹ 3074.96 Lacs (Previous Year ₹ 1431.80 Lacs). The Category wise break-up is given below:-

(₹ In Lacs)

S. No.	Particulars	As at March 31, 2014	As at March 31, 2013
1	Interest Rate Swaps	11.55	6.69
2	Currency Swaps	2321.90	1425.11
3	Options	741.51	-

- (b) Foreign Currency Exposure that are not hedged by derivatives instruments as on March 31, 2014 amounts to ₹ 15060.70 Lacs (Previous Year ₹ 9474.54 Lacs)
- (c) Mark to Market Losses provided by the Company in earlier year, reversed during the year amounts to ₹ 24.40 Lacs i.e. M to M as on March 31, 2014 stands at ₹ 32.64 Lacs (Previous Year- ₹ 57.04 Lacs)

- 51.** The Ministry of Corporate Affairs, Government of India, vide General Circular No. 08/2014 dated April 4, 2014 has granted a general exemption from compliance with Section 212 of the Companies Act, 1956 subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

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 28, 2014

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
CHAIRMAN
(DIN-00577015)

NIKUNJ AGGARWAL
WHOLE TIME DIRECTOR
(DIN-06569091)

SANDEEP AGGARWAL
CHIEF FINANCIAL OFFICER

RAJESH AGGARWAL
MANAGING DIRECTOR
(DIN-00576872)

PANKAJ GUPTA
COMPANY SECRETARY

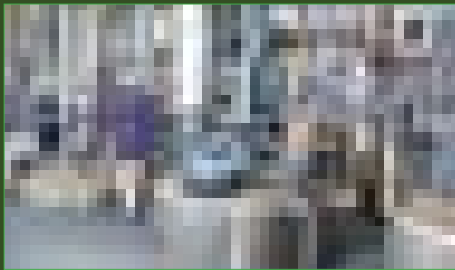
IIL ON INDIAN MAP



Formulation Plant, Chopanki, Rajasthan



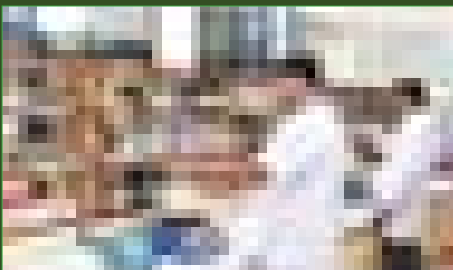
Formulation Plant, Samba, J&K



Technical Plant, Chopanki, Rajasthan



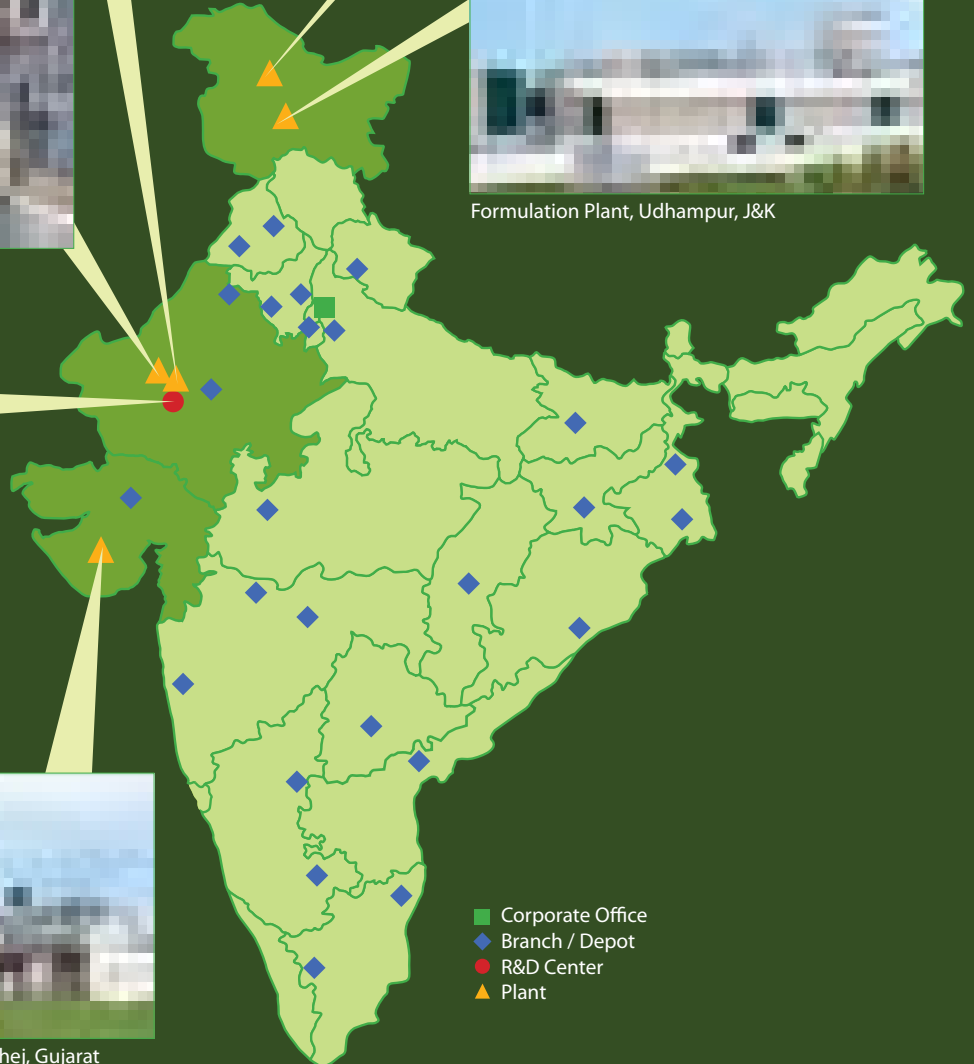
Formulation Plant, Udampur, J&K



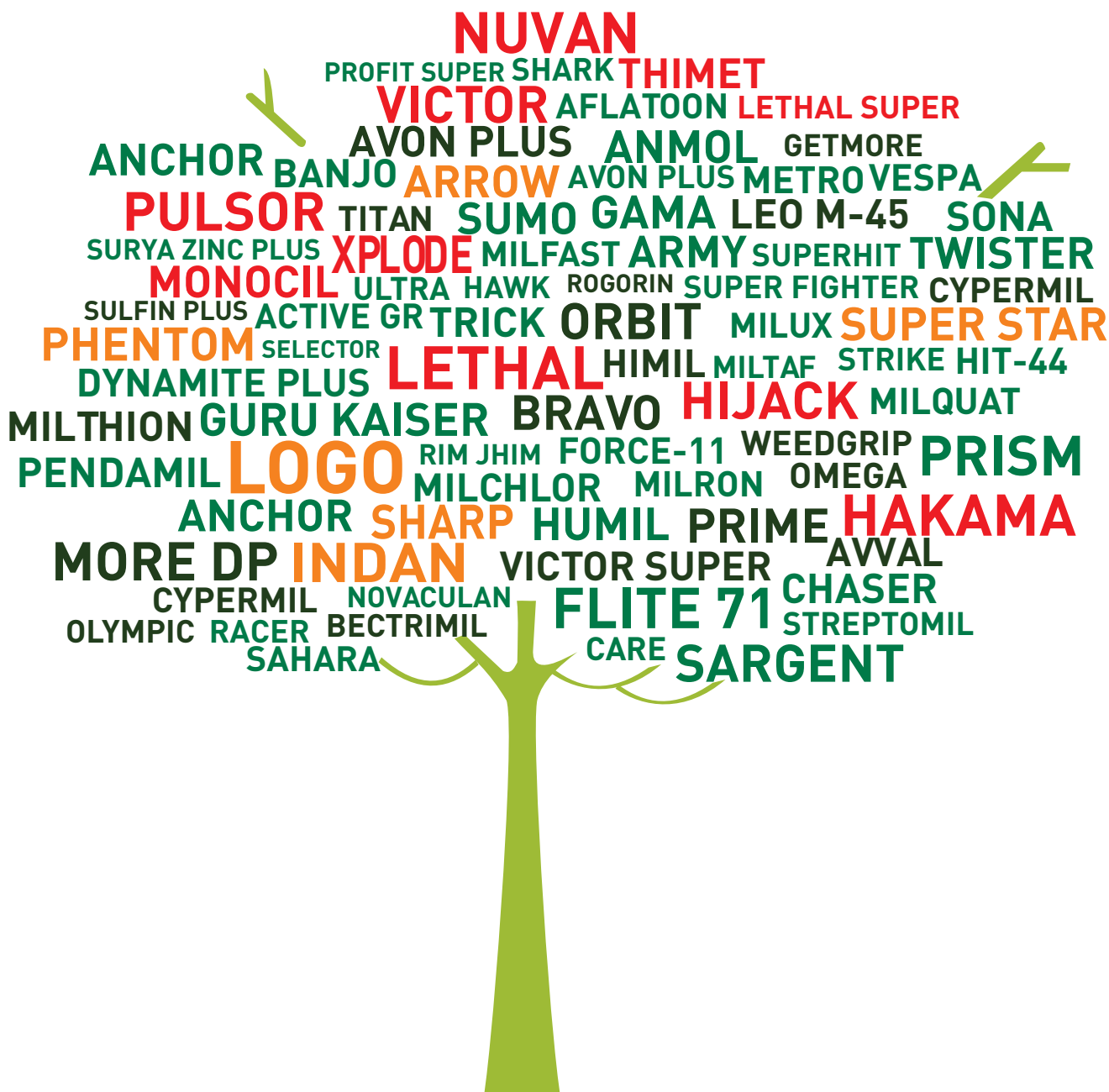
R&D Center, Chopanki, Rajasthan



Formulation & Technical Plant, Dahej, Gujarat



- Corporate Office
- ◆ Branch / Depot
- R&D Center
- ▲ Plant



Insecticides (India) Limited

Regd. & Corp. Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi-110033

www.insecticidesindia.com