Regd. & Corporate Office : 401-402, Lusa Tower
Azadpur Commercial Complex, Delhi -110 033
Telefax : +91 11 27679700-05 (6 Lines)
e mail : info@insecticidesindia.com
www.insecticidesindia.com
CIN : L65991DL1996PLC083909

ISO 9001, 14001 & OHSAS 18001
ISO 9001 ISO 14001 ISO 18001
CERTIFIED COMPANY

insecticides (INDIA) LIMITED

Ref:IIL/SE/2019/0807
July 08, 2019

The Manager

Listing Compliance Department BSE Limited (Through BSE Listing Centre) **Scrip Code: 532851**	Listing Compliance Department National Stock Exchange of India Limited (Through NEAPS) **Symbol: INSECTICID**

Dear Sirs/Madam,

Sub: Annual Report 2018-2019

Please find the enclosed herewith the Annual report 2018-2019 of the Insecticides (India) Limited including Directors' report, Auditors' report and Audited financial statements

The Annual Report is also available on our website at the link: http://www.insecticidesindia.com/AnnualReportNew/IIL-Annual-Report-2018-2019.pdf

This information is being submitted pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for information and records.

Thanking You,
For Insecticides (India) Limited

Sandeep Kumar
Company Secretary &
Chief Compliance Officer

INSECTICIDES (INDIA) LTD. COMPANY SECRETARY DELHI

Encl : As Above


INNOVATE
INTEGRATE
LEAD
'IIL' STRATEGY FOR SUSTAINABLE AGRICULTURE
insecticides (INDIA) LIMITED
ANNUAL REPORT 2018-19

CORPORATE **INFORMATION**

Board of Directors

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

Rajesh Aggarwal
Managing Director (DIN:00576872)

Nikunj Aggarwal
Whole-time Director (DIN:06569091)

Vinod Kumar Mittal
Independent Director (DIN:07421742)

Virjesh Kumar Gupta
Independent Director (DIN:06382540)

Navin Shah
Independent Director (DIN:02701860)

S. Jayaraman
Independent Director (DIN:02634470)

Executive Officers

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

Board Committees

Audit Committee

Vinod Kumar Mittal *(Chairperson)*
Virjesh Kumar Gupta
S. Jayaraman

Corporate Social Responsibility Committee

Hari Chand Aggarwal *(Chairperson)*
Rajesh Aggarwal
Virjesh Kumar Gupta

Nomination and Remuneration Committee

S. Jayaraman *(Chairperson)*
Virjesh Kumar Gupta
Navin Shah

Stakeholders Relationship Committee

Virjesh Kumar Gupta *(Chairperson)*
Vinod Kumar Mittal
Navin Shah

Finance Committee

Hari Chand Aggarwal *(Chairperson)*
Rajesh Aggarwal
Nikunj Aggarwal

Statutory Auditors

M/s. Devesh Parekh & Co.
Chartered Accountants, Delhi
M/s. S.S. Kothari Mehta & Company
Chartered Accountants, Delhi

Secretarial Auditors

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

Internal Auditors

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

Cost Auditors

M/s. Aggarwal Ashwani k. & Associates
Cost Accountants, Delhi

Bankers

Punjab National Bank
Citi Bank N.A.
Standard Chartered Bank
Yes Bank Ltd.
HDFC Bank Ltd.
HSBC

Registrar & Transfer Agent

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

Registered & Corporate Office

401-402, Lusa Tower,
Azadpur Commercial Complex, Delhi - 110 033
CIN : L65991DL1996PLC083909
Website : www.insecticidesindia.com
E-mail Id : investor@insecticidesindia.com

Plant Location

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

INDEX

Innovate
Integrate
Lead

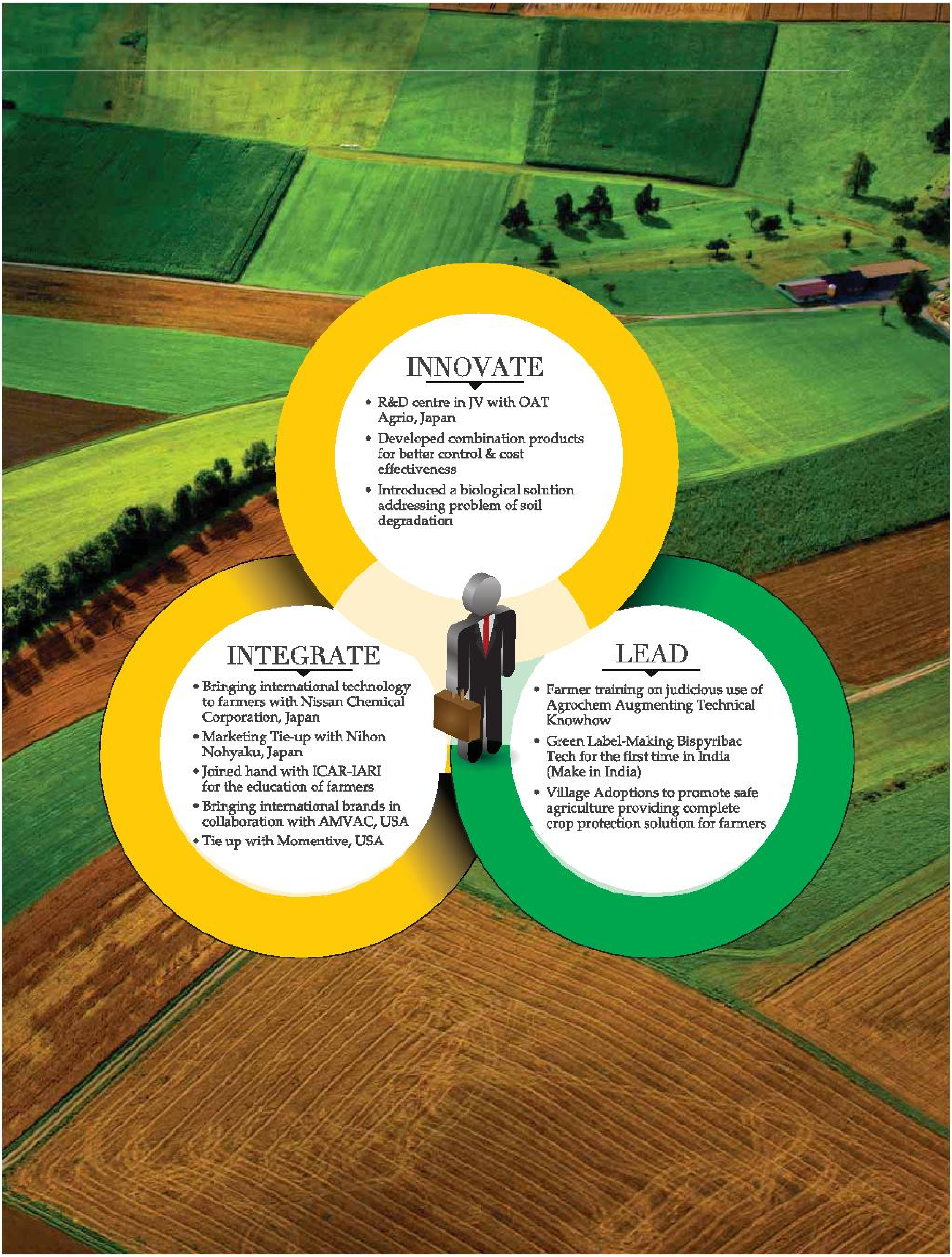
OUR STRATEGY FOR A SUSTAINABLE & SAFE FUTURE OF AGRICULTURE

In today's world, when rapid change is the order of the day in all spheres of life, technology is not just an outcome of a strategic planning exercise, it is the new strategy! Today the biggest challenge is food security and the welfare of the man who stands at the last end of the food chain.

We have clearly defined strategies endeavouring towards a common goal of growth that is consistent, competitive and responsible. Further binding the goals, we have put in place three guiding principles.

Pioneering Innovation
Integrating Knowledge & Skill
Leading the way to a safe Agriculture

For the foreseeable future, no other choice will matter to the future of agriculture, as much as the new technologies farmers will adopt. That is why; we are continuously creating a climate for innovation within and outside the organization. Inspired by the hope of our farmers, we are integrating resources and leading the transformational journeys, to create enduring success in these dynamic times.


INNOVATE
• R&D centre in JV with OAT Agrio, Japan
• Developed combination products for better control & cost effectiveness
• Introduced a biological solution addressing problem of soil degradation
INTEGRATE
• Bringing international technology to farmers with Nissan Chemical Corporation, Japan
• Marketing Tie-up with Nihon Nohyaku, Japan
• Joined hand with ICAR-IARI for the education of farmers
• Bringing international brands in collaboration with AMVAC, USA
• Tie up with Momentive, USA
LEAD
• Farmer training on judicious use of Agrochem Augmenting Technical Knowhow
• Green Label-Making Bispyribac Tech for the first time in India (Make in India)
• Village Adoptions to promote safe agriculture providing complete crop protection solution for farmers

Agriculture holds prime importance in the socio-economic fabric of India. Agriculture and allied sectors remain the backbone of the Indian economy and account for 16% of the country's GDP.*

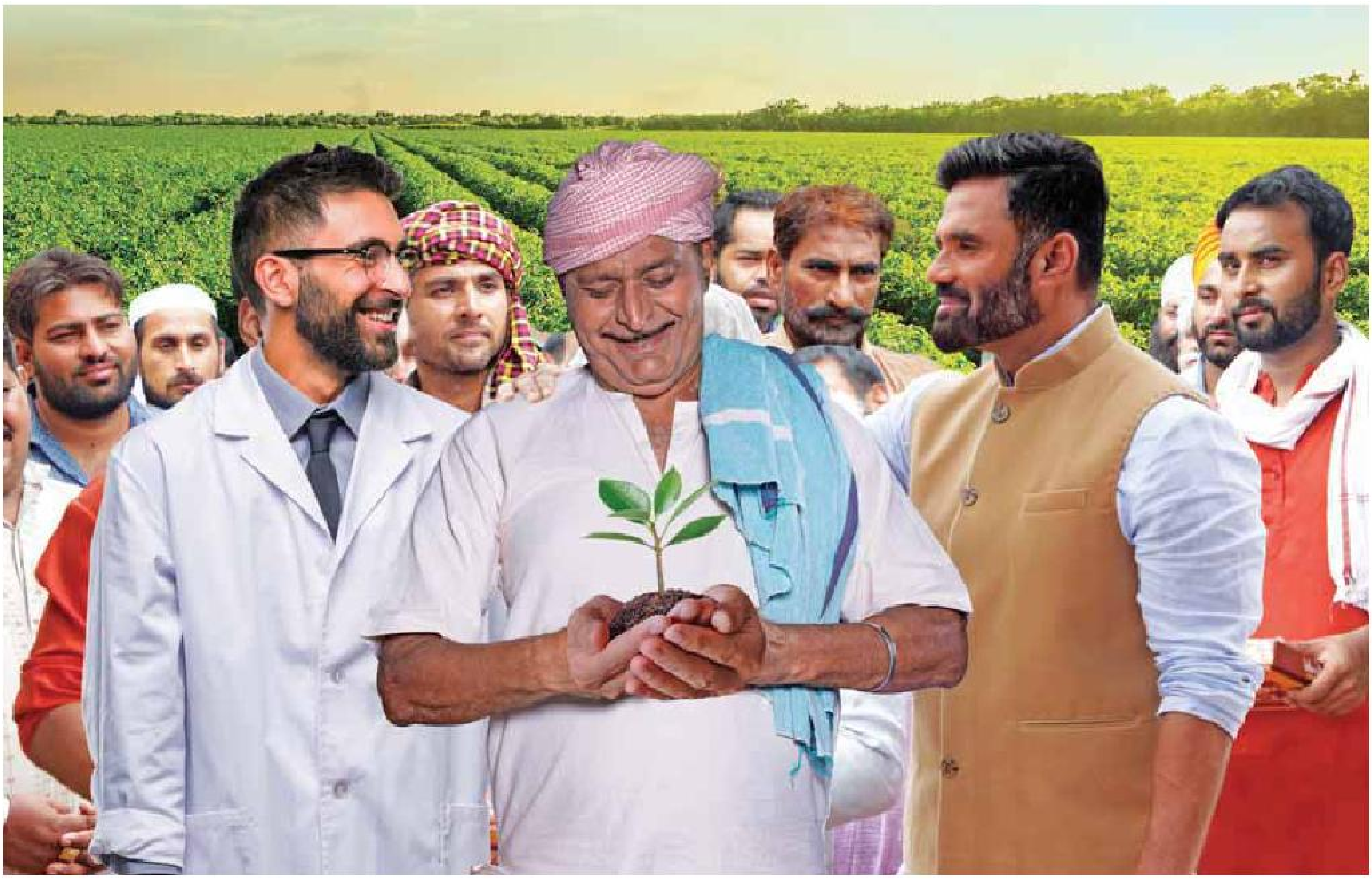
India, with the second largest agricultural land in the world (157 Mn hectares), is also ranked 2 globally in terms of agricultural output (USD 382 Bn) after China (USD 1,005 Bn). Agriculture in India also employs more than 49% of India's working population.

In spite of that, lower crop yields are one of the biggest challenges faced by India. Even though India has doubled its per hectare yield in the past decades it continues to be lower than the peer economies. Farmers in India continue to face challenges like lack of irrigation facilities, depleting water table levels, fragmentation of land, lack of scientific knowledge in farming, etc. Moreover they also face the problem of low level of income. The yearly average income earned by an Indian farmer is close to $ 1,800 as compared to USA's $ 119,880, UK's $ 50,365 and Japan's $5,000.*

Agricultural sustainability rests on the principle that we must meet the needs of the present without compromising the ability of future generations to meet their own needs. Practitioners of sustainable agriculture seek to integrate three main objectives into their work, a healthy environment, economic profitability, and social and economic equity. Every person involved in the food system, growers, food processors, distributors, retailers, consumers, waste managers and others can play a role in ensuring a sustainable agricultural system. There are good emerging trends and solutions for sustainable crop protection which include crop protection chemicals,

*Source: FICCI (Report on Indian Agriculture Industry, July,2018)

INDIAN AGRICULTURE: WAY AHEAD



agronomy, fertigation, seed treatment, biotechnology development etc. The next generation agriculture in the country will have to encompass all such possible solutions using the best mode in a given scenario. To accelerate high growth and ensure sustainability, combined effort in terms of technology, policies and institutional support must be adopted.

To ensure sustainable growth, it is important that Indian Agriculture not only safeguard the need of growing population, but also caters to the need for nutrition by ensuring environmentally safe crop protection & crop health solutions.

CHAIRMAN'S OVERVIEW

THE FUTURE ALWAYS BEGINS NOW

Dear Shareholders,

Agriculture sector continues to be the backbone of Indian economy, providing employment to 49% of the population and contributing to over 16% to GDP. However, Indian agriculture sector faces some challenges such as water resource scarcity, high dependence on rainfalls and lower crop yields. Hence, there is definite need of continuous innovation, use of modern technology and infrastructure, advanced products and solutions to improve productivity and farmer's income.

A number of measures and initiatives have been proposed during FY2020 budget for the improvement of the agriculture sector and the rural economy. Government's focus on agriculture to drive domestic consumption, doubling farmer income by 2022, assured income support and improving rural infrastructure, all are expected to provide an impetus to the farm income driven by higher awareness amongst farmers. In this scenario, the role of crop protection industry becomes increasingly important to achieve higher crop yields.

Insecticides (India) Limited, being a leading player in crop protection sector, is shaping up the trend through its constant endeavours towards providing latest and end to end solutions to large to small and marginal farmers within their reach.

During the year under review, performance of the Indian agriculture industry has been not as encouraging as per the past years attributing to number of factors including erratic rainfalls, raw material constraints and weak domestic demand. Despite the challenging market conditions, Insecticides (India) Limited's performance remained resilient as we remained focussed on strengthening our brand products portfolio.

Your company has continued on implementing the strategy of phasing out generic products and launching new technology products every year by capitalizing on strong R&D capabilities, collaborations & Tie-ups with International research based companies. During the year, we have launched 8 new products, out of which 4 products were novel combinations launched first time in India. These products will provide value to the farmers in terms of cost and effectiveness under Maharatna category. Our Maharatna products had a greater resonance and acceptability in the market, which is visible from the substantial growth observed by all our products in this category. Our company is also focussed on expanding the exports and have been signing new agreements with international partners and adding on new countries. This has resulted in doubling our exports compared to the last year. This is in line with our long-term objectives and the trend is expected to continue in the coming years as well.

Through its continued focus on R&D and innovation, the Company is growing at strong pace. We have a strong spectrum of innovative products and solutions which are going to be launched in a phased manner in the coming years.

As an organization, we take pride in working hand in hand with the farmers and educating them about the benefits of new technology products and how it can help them achieve better crop yields. During the financial year, the CSR wing of our company, IIL Foundation has adopted another village to promote safe and optimal use of agrochemicals.

With a defined strategy for future, we are fully committed to create long term values for our stakeholders and continue on embarking upon our journey of delivering a sustainable growth.

Insecticides (India) Limited, being a leading player in crop protection sector, is shaping up the trend through its constant endeavours towards providing latest and end to end solutions to large to small and marginal farmers within their reach.

H. C. AGGARWAL
Chairman

MD'S THOUGHT PROCESS

INNOVATION SPREADS WITH INTEGRATION

Over its last 16 years of journey, IIL has incessantly evolved. Starting from a crop protection chemical formulation company, it has evolved into a 'Make in India" manufacturing company producing its own molecules and technicals. We have created brands, acquired talents and partners to bring futuristic solutions to the farmers. Today, these Great Brands and Great People are the biggest assets of our company.

Together, we believe that the future will depend on being more lean, agile and competitive in a resource-challenged world. And we are working towards creating a simpler, diverse and agile organisation that will help farmers in moving faster, implementing innovation and leveraging our expertise to lead growth.

For that, the ability to learn and change has become the most important differentiator. Keeping this very principle in mind, we have embarked upon our own journey transforming the way we operated and the way we invested into the future. We have focussed heavily on farmers, reinvented our interactive system and made investments in new age technologies as well as partnerships. This is helping us in creating a solid organizational foundation as a partner of the farmers.

In line with our long term objective of positioning Insecticides (India) Limited as a preferred brand of choice in the agrochemical space, we have launched eight new products during the year along with four products under the Maharatna category. This has resulted in a total of 12 products approved under 9(3) category. We are delighted with the success and acceptance of new products in the market and this further underscores our strong R&D capabilities. The Company will continue to leverage its R&D expertise to develop innovative molecules and products to offer a complete solution to farmers. We are also focussed on increasing our exports in order to capitalize on the growing international market opportunities. Our dedicated export team has signed over 100 export agreements with an aim to expand presence in more than 25+ countries by the end of FY2020.

Management team remains fully committed to drive growth through new innovative products, simultaneously phasing out generic products, increasing customer engagement and ongoing geographic expansion. With a clear strategic direction, we look forward to delivering a sustainable growth and enhanced profitability in the coming years."

I take this opportunity to express my gratitude and appreciation to the farmers who present to us the opportunity of dealing with the exciting challenges of farming. Thanks to our employees, partners and shareholders; who enable us to meet our commitments, and our shareholders for their unflinching support in pursuing our goals in a steadfast manner.

Together, we believe that the future will depend on being lean, agile and competitive in a resource-challenged world.

RAJESH AGGARWAL
Managing Director

₹ 1,192 Cr. FY19 Sales

1200+ Employees

60,000 Retail Outlets

21+ Technical Products

100+ Formulation Products

20+ Maharatna Products

8 new product launches in FY19

4 novel Combination products launched in FY19

LEADERSHIP AUGMENTED BY AN INTEGRATED APPROACH

Insecticides (India) Limited is leveraging the strengths of the past and addressing the challenges of the day. We are constantly investing in cutting age technologies. We are strengthening our farmer connect.

Our several core brands continue to be active revenue generators despite being present for years, whereas our new products are creating a buzz in the market with their scientific approach positive impact. But we still believe that the most segments, we are present in, are under penetrated and offer substantial room for growth of our brands . We are continuously investing in our brands to enhance their relevance. And the result reflects in the smiles of farmers, we reach everyday.

THE GROWTH OUTLOOK

As one of the leading manufactures of Agrochemicals in the country, we are combining our technical knowledge with implementation skills of our on-ground team to present a bouquet of products and solutions able to face the challenges of future. We are developing and integrating innovative solutions that enable farmers to leverage R&D to achieve better yield at competitive costs. Our strategy for future is, "To earn the trust of farmers' world over and maximize the value of their farming by providing solutions that integrate our deep insights with optimal implementation." This outlook is leading change in many aspects of Insecticides (India) Limited itself.

01 Change in product placement

- Phasing out generic products Introducing new age products for Maharatna Category

02 Backward & Forward Integration

- Moving on the path of Backward & Forward Integration
- Capitalizing on **Make in India** initiative

03 Optimization of Capital Structure & Operational Efficiency

- Strong cash flow generation
- Capex of Rs.1bn in next 2-3 years for synthesis facilities in Gujrat & Rajasthan

04 Constant focus on R&D New Product Development

- R&D with international partners to discover new products
- Launched 8 new products (4 under 9 (3) category) in FY19
- 10 new products expected in next FY

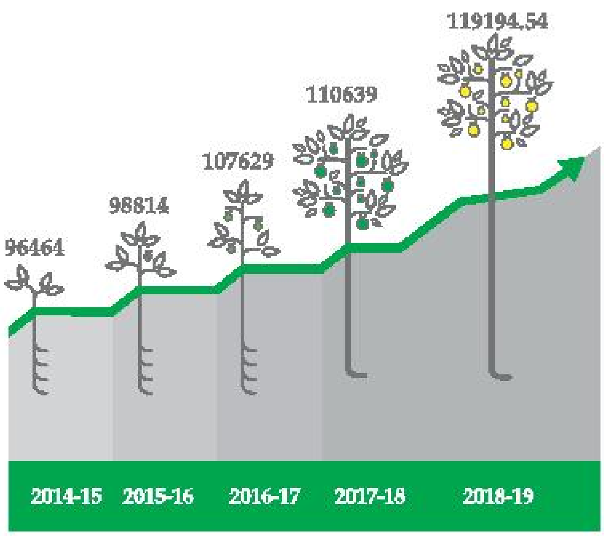
05 Focussed approach on Biologicals

- Working on development of 3-4 new biological products
- Developed VAM, Soil Energizer & Kayakalp

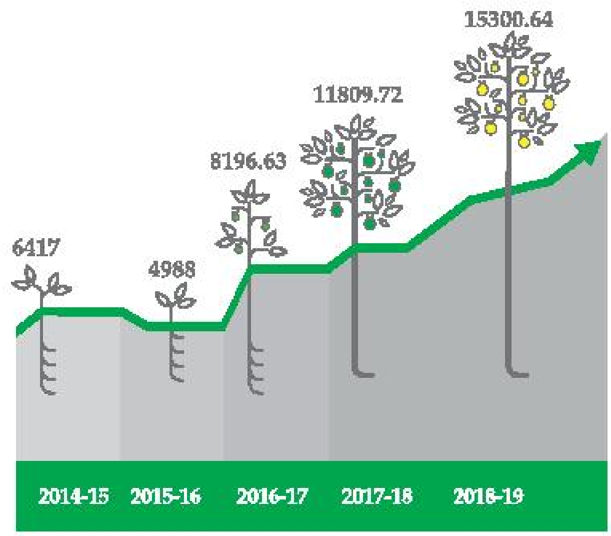
06 Promotion of Exports

- Under registration process in new countries with 100+ export agreements
- Exporting to 20+ countries
- Target to reach 25+ countries by the end of FY2020

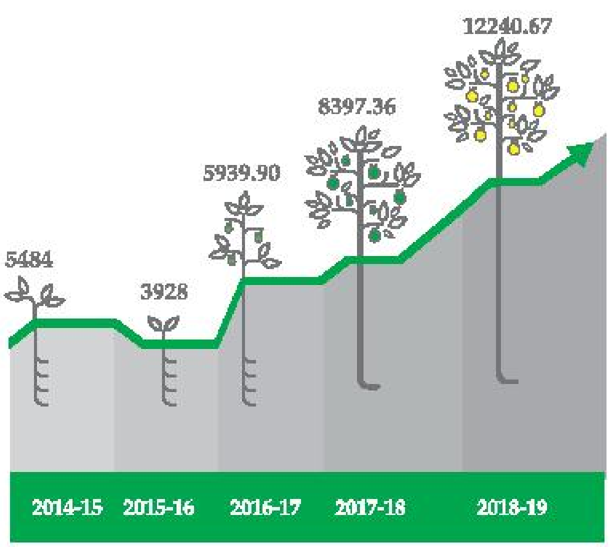
CONSISTENT GROWTH WITH CONSTANT VISION



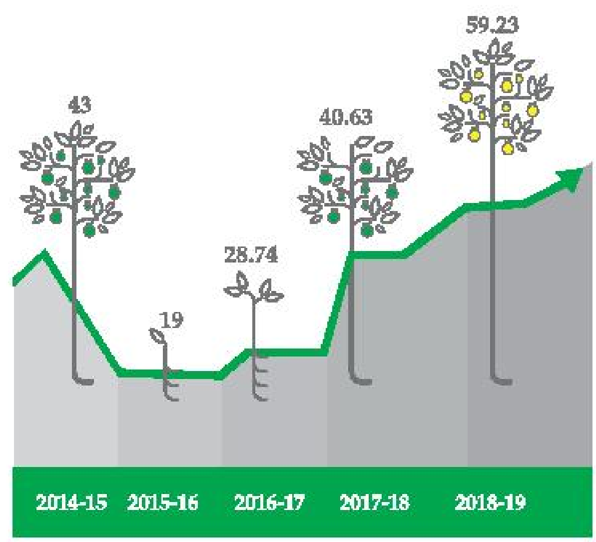
Net Revenue (₹ in lacs)



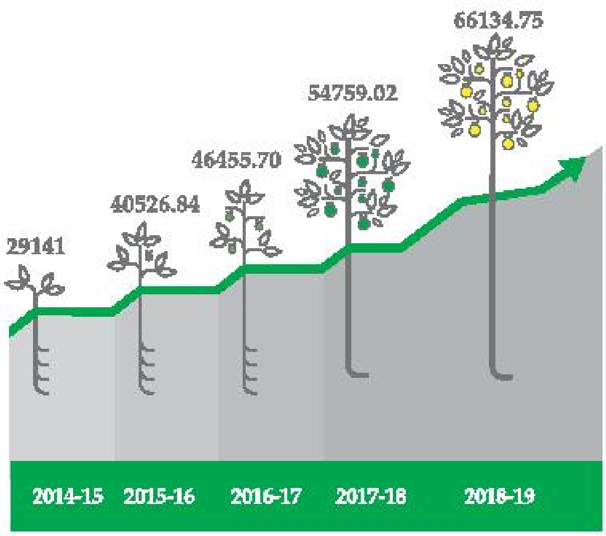
Profit Before Tax (₹ in lacs)



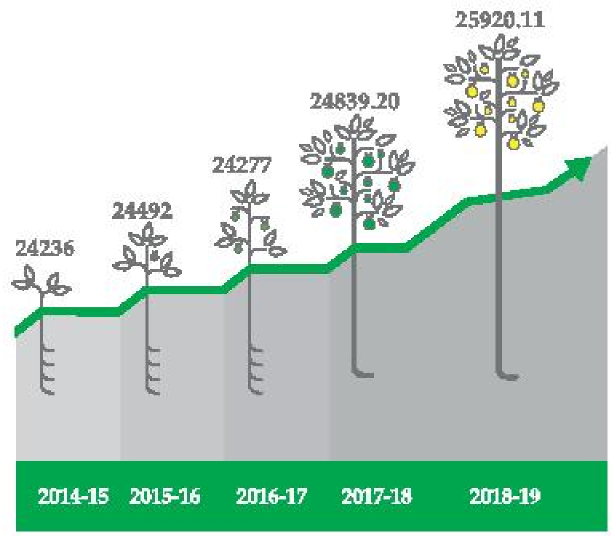
Net Profit (₹ in lacs)



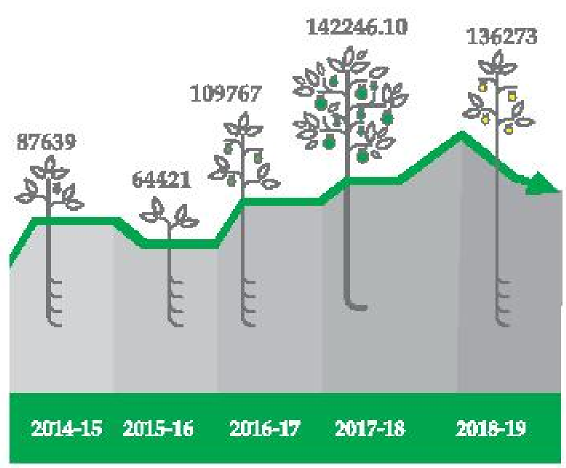
Earning per share (₹)



Net Worth (₹ in lacs)



Net Block of assets (₹ in lacs)



Market Capitalization* (₹ in lacs)

DALAL STREET
INVESTMENT JOURNAL
DEMOCRATIZING WEALTH CREATION

insecticides (INDIA) LIMITED

Ranked 10th in Dalal Street Investment Journal 150 Wealth-Creators

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

Insecticides (India) Limited has continued on its mission of implementing long-term manufacturing strategy with efficient capacity creation and by introducing new technologies to support volume growth. World Class Manufacturing principles along with Industrial Performance Guidelines, which focus on root-cause analysis and elimination of non-value adding activities, have helped us in improving efficiencies and cost-performance.

5 Formulation plants
2 Technical Synthesis plants
1 Biological manufacturing plant*

*under toll arrangement

Research is an area where we are working very seriously, as we strongly believe that only R&D can give us the key to the brighter future. Knowing that agrochemicals worth US$6.3 billion are expected to be off-patented by 2020, we are constantly developing new products and have introduced new products with patent molecules.

NABL QC Labs
In-house R&D Centers
JV with OAT Agrio Co., Japan for dedicated invention R&D Center

Development and Training

At Insecticides (India) Limited, we have made it our obsession to help farmers adapt and modernize to be future ready, because in farming no disruption announces itself ahead of time. We are helping farmers in lowering the cost of crop production, so they can pivot like a start-up and scale like an enterprise. We are helping them not just with the adoption of technologies, but also working with them to adopt new ways of nourishing, protecting and preventing.

Emphasis on field activities

Farmer Awareness

Sales force training

Winning in the Marketplace

To win in the marketplace, we have a robust farmer development agenda. We work with them to understand the need, focus on fulfilling the demand and tirelessly create new solution through development and international tie-ups. In a competitive world marked by increased clutter of agro products, even good product doesn't grab attention only by the use of conventional print or electronic media. There is a new kid on the block – Social Media. We have moved speedily to reorient around these dynamic realities. And the result is that our product pitch is now just a smart phone away.

Sales & market development

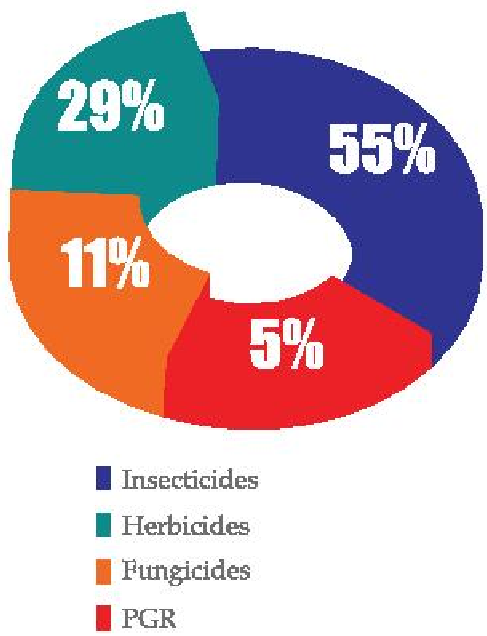
Branding

International Tie-ups & Collaborations

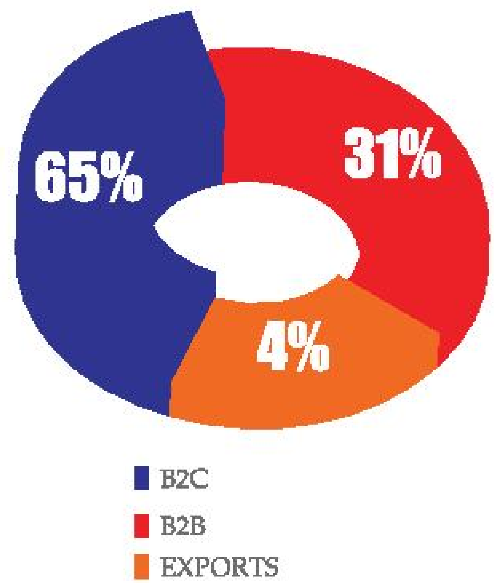
Evolving media mix

BUSINESS MODEL

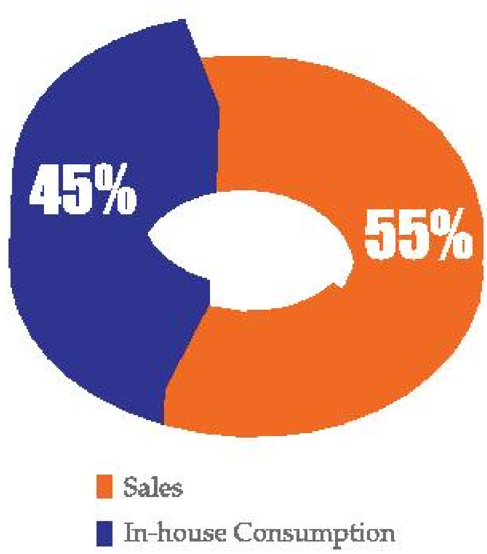
SALES BY PRODUCT CATEGORY



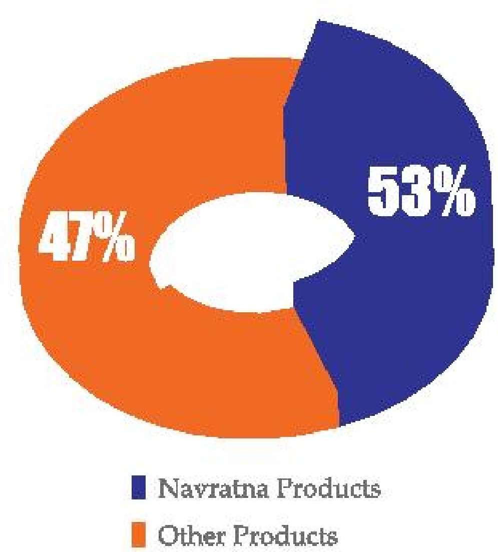
SALES BY SEGMENT



SALES Vs INTERNAL CONSUMPTION (FOR TECHNICAL)



BREAKDOWN OF TOP SELLER RANGE

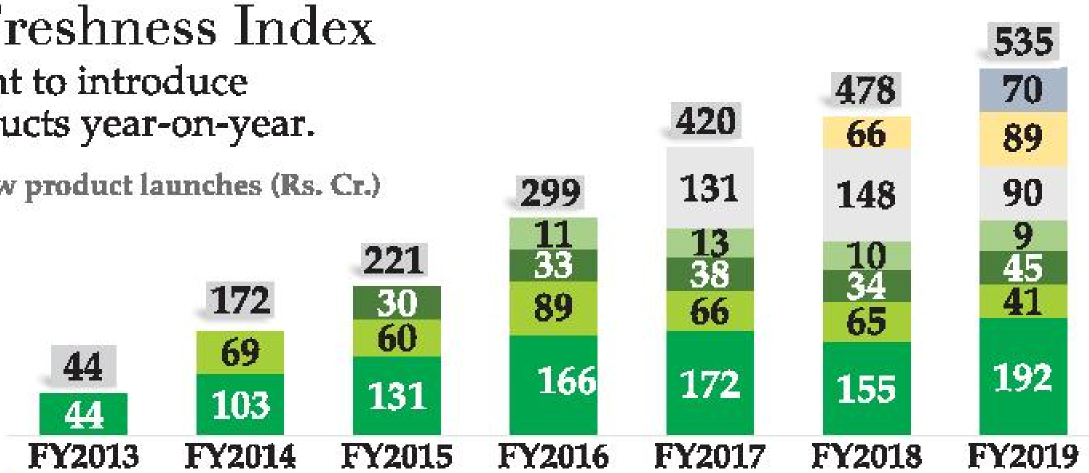


PRODUCTS WITH INSIGHTS FOR FUTURE CHALLENGES

Product Freshness Index

A commitment to introduce new age products year-on-year.

Revenue from new product launches (Rs. Cr.)



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
NEW PRODUCTS LAUNCHED DURING THE YEAR	5	5	3	2	5	5	8
% OF REVENUE FROM OPERATIONS	7.1%	19.9%	22.9%	30.3%	37.9%	43.1%	44.9%

Novel combination launched in 2018

Proposed launches in 2019

FUTURE GOALS

Short Term

Launch new generic products going off-patent (Reverse Engineering).

Medium Term

Launch latest technology products through international partners.

Launch new combination products.

Long Term

Launch proprietary discovery products (Chemicals & Biologicals).

STRATEGIC COLLABORATIONS & TIE UPS

NISSAN CHEMICAL INDUSTRIES, LTD.
JAPAN

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

OAT Agrio Co., Ltd.
JAPAN

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

AMVAC
Amvac Chemical Corporation
USA

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

Nihon Nohyaku Co., Ltd.
JAPAN

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

MOMENTIVE
USA

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

OAT Agrio Co., Ltd.
JAPAN

OAT & IIL INDIA LABORATORIES PRIVATE LIMITED

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

OUR JOURNEY

2001
Commenced Operations

2002
- Started operations by commencing formulation plant in Chopanki (Rajasthan)

2003
- Acquired 21 leading brands of Montari Industries Limited (Ranbaxy Group Company)

2004
- Commissioned second formulation plant in Samba (Jammu & Kashmir)

2011
- Acquired Monocil brand from NOCIL Limited
- Set up two new formulation plants at Dahej and Udhampur

2012
- Launched Nuvan in technical collaboration with AMVAC
- Launched Hakama and Pulsor in tie-up with Nissan
- Entered into a Joint Venture with OAT Agrio, Japan, for research and invention of new agro chemicals
- Commencement of operations at the Technical plant at Dahej

2014
- Started R&D Centre in Joint Venture with OAT Agrio, Japan, at Chopanki, Rajasthan
- Commencement of New Formulation unit at E439- 440, Chopanki (Rajasthan)

2015
- Launch of Biological products
- Follow on QIP

2016

- Tie-up with MOMENTIVE, USA for AGRO SPRED* MAX
- Tie-up with NIHON NOHYAKU, Japan for SUZUKA and HAKKO
- Launched GREEN LABEL (Bispyribac Sodium 10% SC) manufactured in India for the first time

2017

- Launched revolutionary biological Soil Energiser product, KAYAKALP

2018

- Launched Aikido, Sofia, Encounter & Hercules

2008

- Received the OHSAS 18001 certification

2007

- The Company got listed on NSE and BSE with an Initial Public Offering
- The Technical plant at Chopanki commenced operations
- Expansion of capacity at the Formulations plant was completed in Samba

2005

- Set up a R&D Laboratory in Chopanki
- Plant at Chopanki accredited with ISO 9001:2008 certification

2006

- Acquired the exclusive rights to sell the Thimet brand in India from American Vanguard Corporation, USA in technical collaboration

GROWING TOGETHER

Accomplishing the role of responsible corporate concerned about the overall growth of farmers, our CSR engagement is driven through two specific imperatives: Farmer Awareness and Child Education. Our CSR activities are carried out under the aegis of IIL Foundation, which undertakes activities directly or in collaboration with like-minded organisations.

Education

IIL Foundation recognises the importance of education in socio-economic development. Focussing on schools in rural areas of Punjab, Odhisa & UP, the organization provides scholarships along with stationary, study materials to the students across village schools.

OBJECTIVES

- Ensure that no child has to discontinue schooling due to lack of facilities
- Improve access to learning opportunities for students in the community
- Improve teaching and learning outcomes in schools

ACTIVITIES

- Supported schools by providing computers, lab equipments, furniture and stationary items and other facilities
- Empowered deserving students through scholarship material and academic support

Farmer Awareness

IIL Foundation has invested in farming community sensitization about the rational use of agrochemicals in the field. In collaboration with the reputed agricultural research institute ICAR-IARI, IIL has adopted three villages in U.P.

ICAR

INDIAN AGRICULTURAL RESEARCH INSTITUTE

OBJECTIVES

- Awareness about right & judicious use of agrochemical
- Implementing scientific method of crop protection
- Making farmers aware about new researches and trends in agriculture

ACTIVITIES

- Regular seminars and counselling by ICAR-IARI experts and scientists
- On spot crop protection implementations
- Regular demos in field
- Establishment of agriculture library in the villages

CREATING
A NEW BENCHMARK

"COMPANY OF THE YEAR"
AWARD
AGRI BUSINESS SUMMIT & AGRI AWARDS 2019

RUNNER UP
'BEST EMERGING COMPANY'

PMFAI AGCHEM
Awards, 2018

IIL NEWS

OPINION

Private investment may salvage farming

RAJESH AGGARWAL

शिविर में मिली किसानों को खेती के सही तरीकों की जानकारी

Insecticides (India) eyes 15-20% growth

Jaipur: With the met department projecting a normal monsoon this year, agro chemicals and pesticides industry is expected to grow around and 8% but with our new products line-up, Insecticides (India) Ltd is looking at 15-20% growth, said Rajesh Aggarwal, MD, Insecticides (India) Ltd. The company introduced four new products - Encounter, Sofia, Aikido and Hercules in Rajasthan. TNN

क्रॉप केयर का किसानों के लिए प्रशिक्षण कार्यक्रम

जयपुर। कृषि क्षेत्र की कंपनियों के संगठन क्रॉप केयर फेडरेशन ऑफ इंडिया यानी सीसीएफआई ने महाराणा प्रताप यूनिवर्सिटी ऑफ एग्रीकल्चर एंड टेक्नोलॉजी के सहयोग से उदयपुर में किसानों के लिए प्रशिक्षण एवं जागरूकता कार्यक्रम आयोजित किया। यूनिवर्सिटी के वीसी प्रो. यू.एस शर्मा ने कार्यक्रम का उद्घाटन किया। संगठन छोटे किसानों कृषि श्रमिकों को कीटनाशकों व रसायनिक खाद के बेहतर उपयोग के बारे में जागरूक कर रहा है। कार्यक्रम में इंसेक्टिसाइड इंडिया के प्रतिनिधियों के साथ सीसीएफआई के सलाहकार हरीश मेहता समेत 250 से अधिक किसान ने हिस्सा लिया। प्रशिक्षण लेने वाले किसानों को सर्टिफिकेट व सेफ्टी किट दिया गया।

Career options in agro-chemicals

Insecticide to control bugs in NE tea estates launched

दलहन-सब्जियों की फसल के लिए नए कीटनाशक

जयपुर। इंसेक्टिसाइड्स (इंडिया) लिमिटेड ने धान, कपास, दलहन और सब्जियों जैसी फसलों की सुरक्षा के मद्देनजर बाजार में चार नए कीटनाशक उपलब्ध कराए हैं। एनकाउंटर, सोफिया, आइकिडो और हरक्यूलिस नामक इन कीटनाशकों को कंपनी के आरएंडडी सेंटर में तैयार किया गया है। कंपनी के प्रबंध निदेशक राजेश अग्रवाल ने बताया कि कीटनाशक एनकाउंटर सूंडियों और चूसक कीटों से लड़ने में सहायक है। इसका फसलों पर आसानी तथा फसल की किसी भी अवस्था में छिड़काव किया जा सकता है।

AGRI — KAYAKALP HELPS UP GROUNDNUT YIELDS BY 20%

There has been a significant increase in yields of groundnut crop in Gujarat after the use of organic soil rejuvenator Kayakalp from Insecticides India Limited. Not only the yields have gone up by around 20 percent, there have also been visible changes in the colour and texture of soil. The groundnut plants looked much healthier and greener than earlier after the use of Kayakalp, say farmers from Devada village in Rajkot, who have used this product.

IIL REACH ACROSS ELECTRONIC MEDIA

EXPANDING SOCIAL CIRCLE

Official Linkedin company profile of Insecticides (India) Limited
www.linkedin.com/company/insecticidesindia

Official Twitter handle of Insecticides (India) Limited
www.twitter.com/insecticidesltd

Search For Insecticides India Limited on youtube
Click on Insecticides India Limited Channel

Official Instagram of Insecticides (India) Limited
www.instagram.com/insecticideindialtd

With the large user base of Linkedin, Youtube, Twitter and Instagram, we are reaching out to the Industry stalwarts, scientists, professors and agriculture students as well.

Official Facebook page of Insecticides (India) Limited
www.facebook.com/insecticidesindia

IIL

Facebook of Insecticides (India) Limited is reaching out to the dealers, distributors as well as farmers. It keeps them updates on new launches as well as the attributes of existing products.

Official Facebook page of Insecticides (India) Limited
www.facebook.com/greenjoshIIL

Greenjosh

Green Josh is promoting the concept of green living and home gardening by sharing various tutorial videos and tips & tricks for becoming a successful gardener.

Official Facebook page of Insecticides (India) Limited
www.facebook.com/happyfarmershappyindia

HFHI

Happy Farmers Happy India creates a bridge between the urban India and the farming community. It keeps the urban audience informed by sharing day to day knowledge regarding agriculture and food.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview of Indian Agriculture and Company

India is an agrarian country, wherein more than 50% people are dependent on agriculture for their livelihood. India possesses 157.35 million hectares under cultivation which makes us the second largest holder of agricultural land in the world as well. India is the largest producer of tea, spices, pulses, milk, cashew and jute and the 2nd largest producer of rice, wheat, fruits and vegetables, sugarcane, cotton and oilseeds.

The Agrochemicals are designed to protect crops from insects, diseases and weeds. They do so by controlling pests that infect, consume or damage the crops. Uncontrolled pests significantly reduce the quantity and quality of food production. It is estimated that annual crop losses could double without the use of crop protection products. Food crops must compete with 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. Agrochemicals are the last and one of the key inputs in agriculture for crop protection and better yield.

India is the world's 4th largest producer of agrochemicals after United States, Japan and China and has emerged as the 13th largest exporter of pesticides globally.

We, Insecticides (India) Limited is India's one of the fast growing Agro chemicals manufacturing company. IIL has emerged as a front-line performer in India's crop care market and is all set to grow impressively. IIL owns the prestigious Tractor Brand which is highly popular among the farmers. This umbrella brand of its agro products signifies the company's deep connection with the farming community. The largest selling brands of IIL include Green Label, Lethal, Victor, Monocil, Pulsor, Hakama, Mycoraja, Xplode, Akido, Thimet, Mycoraja etc. IIL's latest products Kayakalp are expected to add another dimension of growth to the company.

Our vision to build a globally-respected organization delivering the best-of-breed crop care solutions to the farmers. We are guided by our value system which motivates our attitude and actions. Our core value is increase the income and wealth of the farmers and to provide the solution through technology.

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our consumers, while creating growth opportunity for our employees and generating profitable returns for our investors.

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

Over the years, we have also established a strong distribution network, spread across the country with more than 5000 distributors and 60000 retailers.

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') ('to the extend notified') and the guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter.

2. Indian Economy – Review of economic scenario

The past years has been marked by some major reforms. The transformational Goods and Services Tax (GST) was launched in July 2017. With a policy change of such scale, scope, and complexity, the transition unsurprisingly encountered challenges of policy, law, and information technology systems, which especially affected the informal sector. Expeditious responses followed to rationalize and reduce rates, and simplify compliance burdens.

The new Indian Bankruptcy Code (IBC) has provided a resolution framework that will help corporate clean up their balance sheets and reduce their debts. And in another critical move, the government announced a large recapitalization package (about 1.2 percent of GDP) to strengthen the balance sheets of the public sector banks (PSBs). As these twin reforms take hold, firms should finally be able to resume spending and banks to lend especially to the critical, but-currently-stressed sectors of infrastructure and manufacturing.

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

During the last five years, a broad based strength in the economic indicators have been observed as the growth rate of real GDP has increased from 6.4% in FY2014 to 7.2% in FY2019. The per capita income has increased from Rs 79,118 in FY2014 to Rs 1,25,397 in FY2019. Exports growth has increased from 7.8% in FY2014 to 12.1% in FY2019. FDI inflows have increased from USD36 billion in FY2014 to USD62 billion in FY2019. Industry growth has increased from 3.8% in FY2014 to 7.8% in FY2019. GFCF growth has increased from 1.6% in FY2014 to 12.2% in FY2019. Forex reserves have increased from USD304.2 billion in FY2014 to USD393.2 billion in FY2019.

Source : PHD Chamber Of Commerce And Industry

3. Indian Agricultural Industry

Agriculture is the primary source of livelihood for about 58 per cent of India's population. Gross Value Added by agriculture, forestry and fishing is estimated at Rs 18.53 trillion (US$ 271.00 billion) in FY18.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

During 2017-18 crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting food grain production of 285.2 million tonnes. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. As of September 2018, total area sown with kharif crops in India reached 105.78 million hectares.

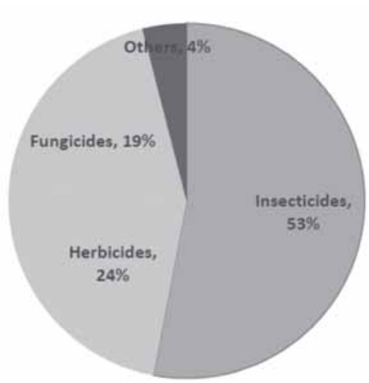
India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 314.7 million tonnes (mt) in 2018-19 as per third advance estimates.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US$ 38.21 billion in FY18. Between Apr 2018-Feb 2019 agriculture exports were US$ 34.31 billion. India is also the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18.

4. Indian Agrochemical Industry

Insecticides dominate the Indian crop protection market and form almost 53% of the domestic agrochemicals market. Herbicides are, however, emerging as the fastest growing segment amongst the agrochemicals.

Paddy accounts for the maximum share of agrochemicals consumption around (26%-28%) followed by cotton (18% -20%). The eight states including Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for usage of >70% of the agrochemicals used in India. Andhra Pradesh is a leading consumer of crop protection chemicals with a market share of 24%.



Source : FCCI

Note: Others include Bio-pesticides, Plant growth regulators, Nematocides, Rodenticides, Fumigants etc. Rodenticides and plant growth regulators are the stars of this segment.

The south-west monsoon delivers 70 percent of India's annual rainfall which is very critical for the farm sector. The India Meteorological Department (IMD) had forecast a normal monsoon for 2018, pegging the countrywide rainfall at 97% of the long period average (LPA). However, the cumulative rainfall in the country during the monsoon season (June to September 2018) was 9% lower than the LPA. The intermittency, pan-India rainfall coverage and distribution of monsoon left the farmers in a difficult situation. September ended with a shortfall of more than 23% and was the driest monsoon for the month since 2015. This affected the consumption of crop protection products.

Pro-growth environment pays off for Indian chemical companies

India is steadily moving up the ranks as a global economic power and a business magnet for investment. Key drivers for success in the chemical sector include proximity to strong growth markets, greater ease in doing business, and the continued development of petroleum, chemicals and petrochemical investment regions (PCPIRs). Backed by one of the strongest GDP growth rates in the world, the future looks bright for the Indian chemical industry.

Steady market strength for chemicals

Indian chemical companies support a sizable and highly diversified industry that includes commodities, specialities, polymers, agrochemicals and a range of other groups. India is a net exporter of agrochemicals and is 13th largest exporter of pesticides and disinfectants in the world.

Agrochemical exports have increased on account of India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price realization globally and strong presence in generic pesticide manufacturing. India offers good scope for contract manufacturing as well and is also emerging as a destination for undertaking contract research. New technical applications have also increased the export capacity of Indian agrochemical manufacturers. Agrochemical exports have increased by 12.8% CAGR during FY14-18. In the current financial year agrochemical exports have increased by 11.0% whereas imports have also increased by 4.4% as compared with the corresponding cumulative period in the previous financial year. Most of the exports are of off-patent products. Over the years there has been a steady increase of fungicide and herbicide exports which has led to the overall increase in agrochemical exports. Latin America, North America, Europe and Asia have emerged to be important markets for the Indian agrochemical industry. Share of exports towards North America have increased significantly from it being 13% during FY14 to 17% during FY18.

Doing business in India is getting much easier

Since 2014, the government administration headed by Prime Minister Narendra Modi has supported a number of reforms designed to encourage business growth by eliminating unnecessary laws and regulations, simplifying bureaucratic processes, and making the government more transparent, responsive and accountable.

These reforms and other initiatives have supported a dramatic, even historic, rise in India's ranking on the World Bank's Ease of Doing Business (EoDB) Index — a jump of 30 places into the top 100 countries. In fact, India is the first large country ever to record such an increase in ratings over a single year.

5. **Opportunities and Challenges**

Opportunities

The Company is working diligently to capitalize opportunities such as:

Contract Manufacturing and Export Opportunities: The export of pesticides from India has seen a strong growth over the last few years. Globally, India is the 13th largest exporter of pesticides. Most of the exports are off-patent products. The major exports from India happen to Brazil, USA, France and Netherlands. The key growth drivers are India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price realization globally and strong presence in generic pesticide manufacturing (India has process technologies for more than 60 generic molecules). Due to the reasons mentioned above, India offers good scope for contract manufacturing as well.

The central challenge for Indian agriculture is low productivity, which is evident in modest average yields. According to an FAO (Food and Agriculture Organization) study, food energy requirements for South Asia will be about 2700 calories per capita per day by 2025. In India, the current food grain availability is 525 grams per capita per day, whereas the corresponding figures in China and USA are 980 grams and 2850 grams respectively. Due to an improvement in per capita income, if per capita consumption is 650 grams, the food grain requirement will be about 390 metric tons of food grain by 2025. Although low productivity is a challenge, it also presents an opportunity for our industry.

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

Low consumption of pesticides in India: India's agrochemical consumption is one of the lowest in the world with per hectare consumption being just 0.6 kgs as compared to the United States (5-7 kgs/hectare) and Japan (11-12 kgs/hectare). With the increase in awareness and market penetration, consumption is likely to improve in the near future. The agrochemicals industry is expected to play a pivotal role in attaining food security for a populous country like India. With dwindling land under cultivation and a lower portion of that under irrigation, the need to increase farm productivity with efficient use of plant nutrients and protection is the need of the hour. Given the farm distress across the country, as well as the upcoming general elections in 2019, the government's focus will be to ease the agrarian crisis through budgetary support, increased irrigation coverage and better procurement.

The other major growth drivers for agrochemicals are-

- Formation of Farmer Producer Organizations (FPOs) to counter the difficulties faced due to land fragmentation
- Every year pests and diseases eat away on an average 15%-25% of food produced by the farmers
- Continuous increase in population, the demand for food grains is increasing at a faster pace as compared to its production
- Plan expenditure on agriculture and in infrastructure which together with policy must aim to improve functioning of markets and more efficient use of natural resources

Challenges of Indian Agrochemical Industry

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

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

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

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

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

6. **Financial Highlights**

The Company's Revenue from Operation was Rs. 1192 Crores in 2018-19 as compared to Rs. 1106 Crore in 2017-18. The Company reported Profit for the year of Rs. 122 Crore. Insecticides (India) Limited has achieved steady growth *via* continued innovation, introduction of new products and better product mix across segment.

Insecticides (India) Limited creating unique position in the market because of its capability to offer new innovative products, technologies, processes, services and business models. In the year 2018-19, the Company successfully launched 6 new products.

Profit and Loss

(Rs. in lacs)

	FY 2019	FY 2018	y-o-y Growth(%)
Revenue from Operations	119194.54	110639.42	7.73
Profit Before Tax (PBT)	15300.64	11809.72	29.56
Profit After Tax (PAT)	**12240.67**	**8397.36**	45.77
Basic EPS (Rs.)	59.23	40.63	45.78

Financial Condition

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

7. Operational Highlights

Operating Expenses

(Rs. in lacs)

	FY 2019	FY 2018	y-o-y Growth(%)
Total Expenses	104124.67	99153.81	5.01
Operating Expenses	102602.47	97562.05	5.17
Financial Expenses	1522.20	1591.76	(04.37)

During the year total expenditure of the Company has been increased by 5.01% y-o-y to Rs. 104124.67 lacs. Total operating expenses also increased by 5.17% y-o-y to Rs. 102602.47 lacs.

8. Human Resources

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

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

During the year under review, there was a cordial relationship with all the employees. There was no loss of production on account of any industrial unrest. The directors would like to acknowledge and appreciate the contribution of all employees towards the performance of the Company. As on March 31, 2019, the Company directly employed more gthan 1,234 people.

Research and Development

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

9. Risk management

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

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

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

Volatile raw material costs could affect the bottom-line

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

Quality aberrations could affect revenues

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

Obsolete technology could affect product quality

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

10. 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 Mohit Parekh & Co. Chartered Accountants are engaged by the Company to ensure compliance of all statutory regulations. The Enterprise Risk Management framework and Managing Director and CFO (Chief Financial Officer) certification as required under SEBI Listing Agreement with Stock Exchanges for controls testing pertaining to financial reporting, resulted in continuing improvement in internal control.

11. Environment, Safety and Health Parameters

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

12. Corporate Social Responsibility

Growing Together: Accomplishing the role of responsible corporate concerned about the overall growth of farmers, our CSR engagement is driven through two specific imperative: Farmer awareness and Child Education. Insecticides (India) Limited strongly believes in inclusive economic growth. The Company's CSR initiatives are based on this principle of sustainable development of the society as whole. Most of the CSR activities of the Company are carried out under the aegis of IIL Foundation.

IIL foundation recognises the importance of education in socio-economic development. Focussing on schools in rural areas of Punjab & UP, the organisation provides scholarships along with stationary, study material to the students across village schools. The activities like Project Vidhya include distribution of books and study material to children and empowering them towards leading a better life. Another campaign was launched by the name of Kisaan Jagruta Abhiyan, where farmers of the several districts in most of the states were uneducated and unable to use the new technology, unable to safe use the agro chemicals. Meetings were held with lacs of farmers in the guidance of the experts and the scientists from the various agriculture universities to educate them. Mobile application (App) is also available for the farmers to understand the usage of the agrochemicals.

13. CAUTIONARY STATEMENT

The statements in the "Management Discussion & Analysis Report" describing the Company's objectives, expectations and forecasts may be forward looking within the meaning of applicable securities laws and regulations. The actual results may differ from those expressed or implied, depending upon the economic and climatic conditions, government policies and other incidental factors.

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BOARD'S REPORT

Dear Members,

The Board of Directors hereby submit the report of the business and operations of your Company ('the Company' or 'IIL'), along with the audited financial statements, for the financial year ended March 31, 2019.

1. Financial Results and State of Company's Affairs

(` in Lacs, except per equity share data)

Particulars	Standalone	
	March 31, 2019	March 31, 2018
Revenue from Operations	119194.54	110639.42
Add : Other Income	230.77	324.11
Total Income	**119425.31**	**110963.53**
Less : Total Expenses	104124.67	99153.81
Profit Before Tax (PBT)	**15300.64**	**11809.72**
Less : Tax Expenses	3059.97	3412.36
Profit After Tax (PAT)	**12240.67**	**8397.36**
Add:Other Comprehensive income	(366.60)	403.47
Total Comprehensive income	**11874.07**	**8800.83**
Final Dividend	413.35	413.35
Less :Dividend Distribution Tax	84.99	84.16
Key ratios		
Earnings per share (Rs.)	59.23	40.63
Dividend per share (Rs.)	2.00	2.00

During the year under review, revenue of the company has increased to Rs. 1,192 Crores from Rs. 1,073 Crores in FY2018 *(ref note: 20 of standalone financial statement)* with a growth rate of 11.1%. EBITDA increased by 25.6% to Rs. 186 Crores from Rs. 148 Crores as compared to same period last year. Profit afterTax (PAT) increased by 45.8% to Rs. 122 Crores from Rs. 84 Crores in FY2018.

EBITDA margins increased to 15.6% as compared to 13.8% last year, increased margins reflect our improving product portfolio mix and launching of new innovative molecules developed by our R&D Centers. PAT margin increased to 10.2% from 7.8% in FY2018, improvement of 2.4% over corresponding period.

Domestic sales margins growth is product portfolio mix and launching of new innovative products. Exports for the fiscal year increased to Rs. 60 Crores from Rs. 34 Crores, representing a growth of 76%.

2. Dividend and Reserves

The Board of Directors have recommended a final dividend of Rs. 2.00/- per equity share (20%) for FY 2018-19 (Previous year Rs. 2.00/- per equity share). The final dividend on equity shares, if approved by the members.

The Register of member and share transfer Books will remain closed from July 27, 2019 to August 02, 2019 (both day inclusive) for the annual closing and determining of the shareholders eligible to receive the final dividend for the Financial Year ended March 31, 2019.

3. Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2019 was Rs. 2066.78 Lacs. There was no change in the Company's Share Capital during the year under review.

4. Credit Rating

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

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

5. Award and Recognitions

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

Some of the awards are listed below:

Company of the Year Award : The Company has received "Company of the Year Award" in Agri Business Summit & Agri Awards 2019

Runner Up, Best Emerging Company : The Company has received the Runner Up, best Emerging Company award in the PMFAI AGCHEM, Awards, 2018.

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

Details of the loans given by your Company under Section 186 of the Act during the financial year ended March 31, 2019 are as follows: New Age Knowledge Solutions Limited: 400.00 Lacs at the interest rate of 12.00% per annum for general business purpose (Total outstanding at the end of the year was Rs. 408.99/- Lacs); Mentor Financial Services Private Limited: Rs. 800.00 Lacs at the interest rate of 12.00% per annum for general business purpose (Total outstanding including interest at the end of the year was Rs. 818.58 Lacs); and Leela Foods Private Limited: Rs. 300.00 Lacs at the interest rate of 16.00% per annum for general business purpose (Loan outstanding at the end of the year was Nil). For details of investments, please refer note no. 10 forming part of financial statements.

The Company had invested in equity shares of OAT & IIL India Laboratories Private Limited, the said company is the Joint Venture of your company w.e.f March 06, 2013 and also invested in the shares of OAT Agrico Co. Ltd., Japan, a Joint Venture partner Company.

7. Deposits

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

8. Subsidiary Company, Associate Company And Joint Venture Company

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

The Company has "OAT & IIL India Laboratories Private Limited" as its joint venture within the meaning of Section 2(6) of the Act, as on March 31, 2019.

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

9. Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year 2018-19 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and Regulations as prescribed by Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI "Listing Regulations").

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

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and the Auditor's Report thereon form part of this Annual Report. The Financial Statements as stated above are also available on the website www.insecticidesindia.com of the Company.

10. Transfer to Reserves

Your Directors do not propose to transfer any amount to the reserves.

11. Management's discussion and analysis

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

12. Corporate Social Responsibility

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

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

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified following focus areas for CSR engagement:

- **Rural Transformation:** Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
- **Environment:** Environmental sustainability, ecological balance, conservation of natural resources and promoting bio-diversity.
- **Health:** Affordable solutions for healthcare through improved access, awareness and health seeking behavior.
- **Education and Sports:** Access to quality education, training and skill enhancement, building sports & skills in young students.
- **Disaster Response:** Managing and responding to disaster.
- **Art, Heritage and Culture:** Protection and promotion of India's art, culture and heritage.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. The annual report on CSR activities is annexed herewith and marked as **Annexure - 2.**

13. Risk Management

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

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

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

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

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

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

14. Vigil Mechanism

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

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

The information as required in accordance with Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details regarding the remuneration and other requisite details are mentioned in the **Annexure – 4(a)** attached hereto.

List of employee drawing the remuneration in excess of limit prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Managerial Personnel) Rules 2014 is mentioned in **Annexure -4(a)**.

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

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

16. Directors

Pursuant to the Provisions of Companies Act, 2013 ("Act"), the Shareholders in the 19th AGM of your Company held on September 21, 2016 appointed Mr. S. Jayaraman (DIN : 02634470) and Mr. Vinod Kumar Mittal (DIN: 07421742) as an Independent Non-Executive Director of the Company for three consecutive years term up to February 09, 2019. Mr Jayaraman and Mr. Mittal are eligible for re-appointment as an Independent Non- Executive Director for a second term of five consecutive years. Pursuant to the provisions of the Act, based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through a Special Resolution in the 22nd AGM of your Company, the re-appointment of Mr. Jayaraman and Mr. Mittal as an Independent Non-Executive Director for second term of five consecutive years from February 09, 2019 up to February 08, 2024.

Pursuant to the Provisions of Companies Act, 2013 ("Act"), the Shareholders in the 17th AGM of your Company held on September 19, 2014 appointed Mr. Navin Shah (DIN : 02701860) and Mr. Virjesh Kumar Gupta (DIN: 06382540) as an Independent Non-Executive Director of the Company for five consecutive years a term up to May 31, 2019. Mr Shah and Mr. Gupta are eligible for re-appointment as an Independent Non- Executive Director for a second term of five consecutive years. Pursuant to the provisions of the Act, based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through a Special Resolution in the 22nd AGM of your Company, the re-appointment of Mr. Shah and Mr. Gupta as an Independent Non-Executive Director for second term of five consecutive years from May 31, 2019 up to May 30, 2024.

In accordance with the provisions of the Section 152 of the Companies Act, 2013 Smt. Nikunj Aggarwal (DIN: 06569091), Director of the Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer herself, for re-appointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended her re-appointment.

The information of Directors seeking appointment/ reappointment as required pursuant to Regulation 36(3) of SEBI Listing Regulations and Companies Act, 2013 is provided in the notice of the 22nd Annual General Meeting of the Company.

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

17. Meeting of the Board

During the financial year 2018-19, the Board of Directors met 4 (Four) times, the details of which are given in the Corporate Governance Report that forms the part of Annual Report. The notice along with Agenda of each Board Meeting was given in writing to each Director. The intervening gap between any two meetings was within the period prescribed by the Act and SEBI Listing Regulations.

18. Performance Evaluation Report

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

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

19. Familiarisation Programme for Independent Directors

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

Further, the Company has received declaration from all the Independent Directors, as envisaged in sub section (6) of Section 149 of the Companies Act, 2013.

20. Board Committees

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

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

21. Key Managerial Personnel

During the financial year under review, there was no change in the Key Managerial Personnel of the Company

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

1. Shri Hari Chand Aggarwal – Chairman & WTD
2. Shri Rajesh Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal – Whole-time Director
4. Shri Sandeep Kumar – Company Secretary
5. Shri Sandeep Aggarwal - Chief Financial Officer

During the year 2018-19, information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the board for its consideration.

22. Directors Responsibility Statement

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

a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis.
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Contracts Or Arrangements With Related Parties

Your Company has formulated a policy on related party transactions which is also available on Company's website at the link http://www.insecticidesindia.com/Policy/RELATED%20PARTY%20TRANSACTION%20FINAL.pdf.This policy deals with the review and approval of related party transactions.The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are ofrepetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered duringt he Financial Year were in ordinary course of the business and on arm's length basis. Disclosure of related party transactions as required under Section 134(3)(h)of the Companies Act, 2013 in Form AOC 2 is given and annexed as **Annexure -5**.

Members may refer to Note No. 37 of the financial statement which sets out related party disclosures pursuant to IndAS-24.

24. Details in respect of adequacy of Internal Financial Controls

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

25. Details of Significant & Material Orders

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

26. Material Changes and Commitments

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

27. Auditors

Statutory Auditors

M/s S S Kothari Mehta & Company., Chartered Accountants (ICAI Regd. No.: 000756N) and M/s Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N) were appointed as Auditors of the Company at the Annual General Meeting held on August 08, 2017, for term of 5 (Five) consecutive Years. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Secretarial Auditor

The Board of Directors had appointed Akash Gupta & Associates, Company Secretaries, (PCS Regis. No. 11038), to conduct Secretarial Audit for FY 2019-2020. During the year under review the company complies with all applicable secretarial standards. The Secretarial Report given by the Secretarial Auditors is annexed and forms integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In terms of Section 204 of the Companies Act, 2013, the Audit Committee recommended and the Board of Directors appointed M/s. Akash Gupta & Associates, Company Secretaries (PCS Registration No.11038) as the Secretarial Auditors of the Company in relation to the financial year 2018-19. The Company has received their consent for appointment.

Cost Auditor

In terms of the requirement of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the cost audit records maintained by the Company is required to be audited, the Audit Committee recommended and the Board of Directors appointed M/s Aggarwal Ashwani K & Associates (FRN: 100191) Cost Accountants, as Cost Auditors of the Company, to carry out the cost audit for the financial year 2019-20. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder. The requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice of the 22nd Annual General Meeting of your Company.

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

During the FY 2018-2019, the Cost Auditor has not reported any matter under Section 143(12) of the Act, therefore no details is required to be disclosed under Section 134(3)(ca) of the Act.

28. Corporate Governance

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

29. Business Responsibility Report

In compliance with Regulation 34 of SEBI Listing Regulations, the Business Responsibility Report detailing the various initiatives taken by the Company on environmental, social and governance front is forming a part of this Annual Report. The Board of Directors has adopted a Business Responsibility Policy. The said Policy is available on Company's website at http://www.insecticidesindia.com/

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

In terms of requirement of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with the Companies (Account)s Rules, 2014, the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure - 6** to this report.

31. Extract of Annual Return

In accordance with Section 134 (3) (a) of the Act, an extract of Annual Return of the Company is annexed herewith as **Annexure - 7** to this Report.

The annual return for the financial year 2018-19 is available on Company's website at http://www.insecticidesindia.com/Extract-of-Annual-Return/ExtractAR_2019.pdf.

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

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

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

33. Pollution Control

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

34. Unclaimed Dividend

As per the Companies Act, 2013, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year under review, in terms of provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend for financial year 2010-11, aggregating to Rs.95285/- was transferred to Investors Education and Protection Fund. As per Regulation 43 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no shares are lying in the suspense account of the Company.

35. Insurance

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

36. Nature of Business

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

37. Listing of Securities

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

38. Cautionary Statement

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

39. Appreciation

Your Company has been able to perform efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible.

The Directors appreciate and value the contribution made by every member of the IIL family.

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

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

Place : Delhi
Dated : May 28, 2019

Annexure - 1

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries - Not Applicable

Part "B": Associates and Joint Ventures

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

(` In Lacs)

Name of Associates/Joint Ventures	**OAT & IIL India Laboratories Private Limited (Joint Venture Company)**
1. Latest audited Balance Sheet Date	31.03.2019
3. Date on which the Associate or Joint Venture was associated or acquired	06.03.2013
3. Shares of Associate/Joint Ventures held by the company on the year end	
No.	795000
Amount of Investment in Associates/Joint Venture	795.00
Extend of Holding %	20
4. Description of how there is significant influence	Joint Venture Agreement & Shareholding of 20% in OAT&IIL
5. Reason why the associate/joint venture is not consolidated	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	4303.16
7. Profit / Loss for the year	
i. Considered in Consolidation	20%
i. Not Considered in Consolidation	80%

1. Names of associates or joint ventures which are yet to commence operations. – NIL
2. Names of associates or jointventures which have been liquidated or sold during the year.-NIL

Annexure - 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

   The Company undertake activities relating to rural development including enhancing environmental and natural capital; supporting rural development; promoting education and vocational skills; providing preventive healthcare; providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting traditional art and culture, and promoting sports etc.

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

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

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

   During the year, four meetings i.e. on May 28, 2018; August 09, 2018, November 12, 2018 and February 04, 2019 were held.

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

   The Average net profit for the last three financial years is Rs.8331.57 Lacs

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

   The Company is required to spend Rs. 166.63 Lacs towards CSR for the Financial Year 2018-19

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

   a) Total amount spent for the financial year: Rs. 168.09 Lacs*

      *(*the company had spent 1.46 Lacs excess amount)*

   b) Amount unspent, if any: Nil

   c) Manner in which the amount spent during the financial year is detailed below:

(` in Lacs)

S. No.	CSR Projects / Activities	Sector in which the project is covered	Locations	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs sub heads : 1) Direct expenditure on project (2) overheads	Cumulative Expenditure upto reporting period	Amount spent	
							Direct	Through implementing agency
1	Kisaan Jagrukta Abhiyan (Training programmes to Farmers)	Farmers Education, Upliftment and Green Initiative	PAN India	55.00 (FY-2018-2019)	51.72	205.21	-	51.72
2	Project Vidya (Child education in rural areas)	Education	PAN India	5.00 (FY-2018-2019)	03.81	12.32	-	03.81
3	Navjyoti India Foundation (NGO)	Rural Development	Delhi	Budget as per Agency demand on Yearly Basis	07.00	31.00	-	07.00
4	AmanUday (NGO)	Skill Development	Haryana	Budget as per Agency demand on Yearly Basis	01.00	01.00	-	01.00
5	Subhaksiksha Educational Society	Education	Delhi	Budget as per Agency demand on Yearly Basis	10.84	19.84	-	10.84
6	Bharat Lok Shiksha Parishad	Education	Delhi	Budget as per Agency demand on Yearly Basis	20.00	20.00	-	20.00
7	Arya Girl Senior Secondary School	Education	Delhi	Budget as per Agency demand on Yearly Basis	01.00	01.00	-	01.00
8	Maharaja Agrasen Hospital Charitable Trust	Health	New Delhi	Budget as per Agency demand on Yearly Basis	20.00	94.45	-	20.00
9	Social Welfare Progammes	Health and Sanitary	Haryana	10.00 (Yearly)	05.62	12.77	-	05.62
10	Project Environment & Plantation	Environment Education	PAN India	50.00 (FY-2018-2019)	46.90	46.90		46.90
	Total				**167.89**	**444.49**		**167.89**

6. **In case the Company has failed to spent the two percent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:** Not Applicable

7. The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and objectives of the company.

Place : Delhi
Date : May 28, 2019

Rajesh Aggarwal
Managing Director

Hari Chand Aggarwal
Chairman of CSR Committee

Annexure - 3

RISK MANAGEMENT POLICY

I. PREAMBLE

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

II. PURPOSE

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

III. OBJECTIVE

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

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

IV. BACKGROUND AND IMPLEMENTATION

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

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

V. CATEGORIES OF RISKS

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

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

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

VI. RISK MANAGEMENT PROCESS

1. ESTABLISHMENT OF GOALS & CONTEXT

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

2. IDENTIFICATION OF RISKS

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

<u>Key questions that may assist identification of risks include:</u>

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

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

3. ANALYSIS OF RISKS

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

4. EVALUATION OF RISKS

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

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

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

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

5. TREATMENT OF RISKS

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

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

6. MONITORING OF RISKS

It is important to understand that the concept of risk is dynamic and needs periodic and formal review.

The currency of identified risks needs to be regularly monitored. New risks and their impact on the Company may to be taken into account. This step requires the description of how the outcomes of the treatment will be measured. Milestones or benchmarks for success and warning signs for failure need to be identified.

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

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

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

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

7. COMMUNICATION & REPORTING

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

VII. ROLE OF THE BOARD

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

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

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

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

VIII. RISK REGISTRATION, TREATMENT & REPORTING

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

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

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

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

IX. DISCLOSURE IN BOARD'S REPORT

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

X. REVIEW

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

Annexure - 4(a)

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19:

Table no. I (` in Lacs)

Sl. No	Name of Director	Designation	Ratio
1	Mr. Hari Chand Aggarwal	Chairman & (WTD)	182:1
2	Mr. Rajesh Aggarwal	Managing Director	182:1
3	Mrs. Nikunj Aggarwal	Whole-time Director	16:1

Table no. II (`in Lacs)

Sl. No	Name of Director	Designation	Ratio
1	Mr. Virjesh Kumar Gupta	Independent Director	0.48:1
2	Mr. Navin Shah	Independent Director	0.38:1
3	Mr. Vinod Kumar Mittal	Independent Director	0.48:1
4	Mr. Jayaraman Swami-nathan	Independent Director	0.57:1

Notes:

1. Directors at above table II are Independent Directors and received only sitting fee during the year.
2. Out of pocket expenses incurred by them for attending the meetings not taken into account.

b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No	Name of Director and KMP	Director/KMP	% Increase in remuneration
1	Mr. Hari Chand Aggarwal	Chairman Cum Whole-time Director	337.13
2	Mr. Rajesh Aggarwal	Managing Director	391.78
3	Mrs. Nikunj Aggarwal	Whole-time Director	17.14
4	Mr. Sandeep Aggarwal	Chief Financial Officer	5.61
5	Mr. Sandeep Kumar	Company Secretary	15.90

c. In the financial year 2017-18, there was an increase of 11.15% in the median remuneration of employees. The median remuneration of the employee of the company for the financial year were Rs. 2.59/- Lakhs (Per Annum)

d. Total number of employees of the Company as on March 31, 2018 was 1,234. The Company has maintained peaceful and harmonious relations with all its employees.

e. Average percentile increase already made in the salaries of employees in 2018-19 was 7-8% whereas the increase in managerial remuneration was approx 10%. This was based on the recommendations of Nomination & Remuneration Committee, based on industry benchmarks and the respective person's performance and contribution. The Company's remuneration philosophy is to ensure that it is competitive in the Pesticides industry in which it operates, for attracting and retaining the best talent.

f. The company affirms that the remuneration is as per the Remuneration policy of the Company.

g. Statement showing the names and other details of the top ten employees in terms of remuneration drawn along with other particulars. All these employees are in whole time employment of the Company.

(` In Lacs)

Name and Age	Designation / Nature of Duty	Remuneration p.a	Qualification	Age / Experience	Date of Joining	Previous Employment & Designation	% of shareholding in the Company	Relationship to any Director or Manager
Mr. Hari Chand Aggarwal	Chairman	472.10	High School	71 Years / 43 Years	01/11/2001	Own Business	4.47	Father of Mr. Rajesh Aggarwal, MD and Father-in-law of Mrs. Nikunj Aggarwal, WTD
Mr. Rajesh Aggarwal	Managing Director	472.10	Graduate	49 Years/ 26 Years	01/11/2001	Own Business	25.61	Son of Mr. Hari Chand Aggarwal, Chairman and Husband of Mrs. Nikunj Aggarwal, WTD

Name and Age	Designation / Nature of Duty	Remuneration p.a	Qualification	Age / Experience	Date of Joining	Previous Employment & Designation	% of shareholding in the Company	Relationship to any Director or Manager
Mrs. Nikunj Aggarwal	Whole-time Director	41.09	B.A	46 Years/ 12 Years	02/05/2013	Own Business	5.44	Wife of Mr. Rajesh Aggarwal, MDl and Daughter-in-law of Mr. Hari Chand Aggarwal, Chairman
Mr. Sunil Kumar Wasan	General Manager	30.54	B-tech in Chemicals	51 Years/ 30 Years	23/02/2016	M/s Solrex Pharmaceutical Ltd, Sr. General Manager	0.00	No Relationship with Directors
Mr. Arun Kohli	G.M – Institutional Sales	29.19	Phd, Management	59 Years/ 39 Years	16/08/2017	M/s UPL Limited	0.00	No Relationship with Directors
Mr. Sandeep Aggarwal	CFO	28.92	Chartered Accountant	51 Years/ 30 Years	01/08/2011	Own Business	0.00	No Relationship with Directors
Dr. Lokesh Chander Rohela	Sr. GM, Quality	25.11	Phd, Synthetic Organic Chemistry, IIT-Delhi	66 Years/ 36 Years	09/01/2013	Crystal Crop Production Private Limited	0.00	No Relationship with Directors
Mr. Sanjay Singh	A.G.M, Market Development	24.14	MSC	51 Years/ 26 Years	12/06/2012	M/s Dhanuka Agritech Ltd, Sr. Product Manager	0.00	No Relationship with Directors
Mr. Vinod Kumar Garg	General Manager	23.50	B.Com, LLB	60 Years/ 35 Years	01/06/2002	-	0.00	No Relationship with Directors
Mr. Srikant S Satwe	Head, International Business	21.54	MSC and PGDMS	56 Years / 31 Years	08/12/2014	M/s Hikal Ltd, Head Marketing	0.00	No Relationship with Directors
Mr. P C Pabbi	Vice President	19.00	Graduate	58 Years/ 33 Years	01/11/2001	Own Business	0.00	No Relationship with Directors
Dr. Mukesh Kumar Aggarwal	General Manager	20.62	P.hd and MSC	57 Years/ 26 Years	21/12/2001	M/s Hindustan Pulverising Mills, Manager QC & Production	0.00	No Relationship with Directors

Annexure - 4(b)

"NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY"

Legal Framework

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

Definitions

For the purpose of this Policy:

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

OBJECTIVE & PURPOSE

The objective and purpose of this Policy are as follows:

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

SCOPE OF THE POLICY

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

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

CONSTITUTION

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

S. No.	Name	Designation	Profile
1	Mr. Jayaraman Swaminathan	Chairman	Mr. Jayaraman Swaminathan, aged 70, holds a Master's Degree in Science and a Diploma in Business Management. In addition he had done an advanced General Management course in MIT Sloan School USA. He joined Hoechst India in 1970 and held various positions. He rose to become a Director Member of Board .The responsibilities included manufacturing, QA, Safety in divisions of Agrochemicals, Pharmaceuticals (Pharma & Veterinary) and Vaccines. The demerger and acquisitions took him to Head new areas of responsibility in Commercial, Purchase (Imports, Exports & Domestic),Supply Chain, SAP. The companies were Hoechst Schering Agrevo Ltd., Agrevo Ltd., Aventis Ltd., Bayer Crop Science Ltd. In 2004 he joined Hikal as Business Head, VP for their the Agrochemicals division. Here the areas of work involved were active, formulations and contract manufacturing from three different factory locations. In 2008 he joined Sequent to work as Business Development Advisor for Domestic and International markets. Here the areas of work involved identifying new domestic and international customers for active, formulations and contract manufacturing for both pharma and veterinary products. Both Hikal and Sequent work focussed on developing new long term sustainable and mutually beneficial long term growth oriented business relationships. Such contracts were very well coordinated and supported by creating an efficient manufacturing and supply chain.

S. No.	Name	Designation	Profile
2	Mr. Virjesh Kumar Gupta	Member	Mr. Virjesh Kumar Gupta, aged 72 years, belongs to a business family of Delhi. After a graduate from Sri Ram College of Commerce (Delhi University), he has highly experienced professional with in depth understanding and hands on experience in diverse business field for 0ver 41 years. He has specialized in general management covering almost all aspects of day to day business activities. He is currently associated with various Educational and Charitable Societies.
3	Mr. Navin Shah	Member	Mr. Navin Shah, aged 77 years, belongs to a business family of Delhi. He started his business career in plastic industries. Mr. Navin Shah has more than 48 years experience in manufacturing in PVC compound.

1. **Appointment criteria and qualifications**

1.1 Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013 or the Company Internal policy.

1.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.

1.3 A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.

1.4 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'. The indicative form to be filled out is placed as **Annexure 1** to this Policy.

1.5 The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

1.6 The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and KMPs;

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

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

2. **Term / Tenure**

2.1 Managing Director/Whole-time Director:

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

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

2.2 Independent Director

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

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

3. **Removal**

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

4. **Retirement**

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

5. **Diversity on the Board of the Company**

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

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

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

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

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

6. Remuneration

6.1 In discharging its responsibilities, the Committee shall have regard to the following Policy objectives:

- ➢ To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- ➢ To attract and retain competent executives;
- ➢ To plan short and long-term incentives to retain talent;
- ➢ To ensure that any severance benefits are justified.

6.2 The remuneration/ compensation/ commission etc. to the whole-time director, KMP and senior management &other employees will be determined by the Committee and recommended to the Board for approval.

6.3 The remuneration to be paid to the MD and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.

6.4 Increments to the existing remuneration/compensation structure of the Senior Management excluding the Board of Directors comprising of members of Management one level below the Executive Director, including the Functional Heads will be decided by the Chairman & Managing Director.

6.5 Remuneration to Whole-time/ Managing Director, KMP, senior management;

6.5.1 Fixed pay

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

6.5.2 Minimum Remuneration

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

6.6 Remuneration to Non- Executive / Independent Director:

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

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

MINUTES OF COMMITTEE MEETING

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

DISCLOSURE OF THIS POLICY

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

REVIEW

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

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

Name of Company: Insecticides (India) Limited

Declaration and Undertaking

I. Personal details of the Candidate/ Director

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

II. Relevant Relationships of Candidate/ Director

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

III. Records of professional achievements

a.	Relevant Professional achievements	

IV. Proceedings, if any, against the Candidate/ Director

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

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

Undertaking

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

Place:

Signature

Date:

VI. Remarks of Nomination Committee

Place:

Signature

Date:

FORM No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain Arm's length transactions under third proviso thereto.

(Rs. In Lacs)

(a) Name (s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Justification for entering into such contracts or arrangements or transactions	(f) Date(s) of approval by Board	(g) Amount paid as advances ,if any	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(a) S. No	(b) Name (s) of the related party and nature of relationship		(c) Nature of contracts/ arrangements/ transactions	(d) Duration of the contracts/ arrangements/ transactions	(e) Salient terms of the contracts or arrangements or transactions including the value, if any	(f) Date(s) of approval by Board	(g) Amount paid as advances, if any
1	Crystal Crop Protection Pvt. Ltd	Relative of KMP has control / significant influence	Purchase and sale of goods and other obligations, if any.	N/A	N/A	Not applicable, since the transaction is in the ordinary course of business and at arm's length.	355.67
2	HPM Chemicals & Fertilizers Limited			N/A	N/A		
3	Paras Agro Industries			N/A	N/A		
4	Valves & Pneumatics			N/A	N/A		
5	Vinod Metal Industries			N/A	N/A		
6	Indogulf Cropsciences Limited			N/A	N/A		
7	Smt. Soniya Aggarwal	Relative of KMP	Consultancy Services	2 Years (from 01/04/2019 to 31/03/2021)	As per Consultancy Agreement		
8	Smt. Pushpa Aggarwal	Relative of KMP	Rent Expenses	5 Years (from 01/04/2019 to 31/03/2024)	As per Lease / Rent Agreement		
9	ISEC Organics Ltd.	KMP have control /significant influence	Rent Expenses	5 Years (from 01/04/2019 to 31/03/2024)	As per Lease / Rent Agreement		610.93

Annexure - 6

Information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the financial year ended 31st March, 2019

A. Conservation of resources

(i) Steps taken or impact on conservation of energy: Environmental sustainability is embedded in IIL Policy. As part of long term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. At IIL, sustainability inspires and guides everything the Company does. Moreover, the Company gives highest priority to ensure environmental friendly practices at all factories and offices. These include reduction in power consumption, optimal water consumption, eliminating excess use of paper and using eco-friendly products.

We continued our efforts on conservation of resources through automation, highly efficient utilization, adoption of efficient machines which helps us to conserve resources, while efficient waste management and reduction in carbon emission.

As in the past, the Company continued to stress upon measures for the conservation and optimal utilisation of energy in all the areas of operations. Within the Company there are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy & CO_2 emissions while maximizing production volumes.

During the year, Company has undertaken several Civil and Construction works in the Factories situated at Chopanki and Dahej for improving the efficiency and productivity, which will eventually save the energy in long period of time.

(ii) The steps taken by the company for utilizing alternate sources of energy: During the year under review, the Company carried out initial surveys and looked into various alternate sources of energy. The Company needs more time and will make more efforts for finding suitable alternate sources of energy for the betterment of the Company.

(iii) Capital investment on energy conservation equipments: During the year under review, the Company has not installed major equipment for energy conservation, however the Company has policy to use the electronic devices which uses low electricity, replacement of devices which consumes less electricity.

B. Technology absorption

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

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

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

Research and Development (R&D)

(i) Specific areas in which R&D carried out by the Company - Your Company put emphasis on R&D and spends enormous amounts and efforts in R&D and in gaining industrial experiences. First of its kind Joint Venture with Japanese *via* OAT & IIL Laboratories Private Limited in the Year 2013 and R&D Center at Chopanki and Dahej. It has therefore been possible for your Company to focus on introduction of new innovative products for the farmers and testing and modification of products for local conditions. Improving and maintaining the quality of certain key raw materials also continued to receive close attention.

(ii) Benefits derived as a result of the above R&D - During the year under review the company has introduced several products for the benefit of the farmers, the Company's Vision along with vision of the Prime Minister of India to doubling farmers incomes by 2022, company launched a revolutionary product like Sofia, Aikido, Hercules, Encounter, Stroke and Athlete.

(iii) Future plan of action - Steps are continuously being taken for innovation and renovation of products including new product development, improvement of packaging and enhancement of product quality / profile, to offer better products at relatively affordable prices to the consumers. The Company expected to introduce 5-6 new products during the FY 2019.

The expenditure incurred on Research and Development:

(` in Lacs)

Particulars	Amount
Capital	0.40
Recurring	188.25
OAT & IIL Laborataries Private Limited	276.54
Total	**465.19**

C. Foreign exchange earnings and Outgo

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

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

(` in Lacs)

Particulars	Amount
Foreign exchange earned	6021.23
Foreign exchange used	33469.54

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

(Rajesh Aggarwal) Managing Director DIN - 00576872

(Hari Chand Aggarwal) Chairman DIN - 00577015

Place : Delhi
Dated : May 28, 2019

Annexure - 7

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019
[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

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

S. No	Category of Shareholders	No. of Shares Held at the begnning of the Year				No. of Share held at the end of the Year				% Change during the Year
		DEMAT	Physical	Total	% of total Shares	DEMAT	Physical	Total	% of total Shares	
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (2): -	**-**	**-**	-	-	**-**	**-**	-	-	**-**
	Total ShareHolding of Promoter (A) = (A)(1)+(A)(2)	**14,209,050**	**-**	**14,209,050**	**68.75**	**14,209,050**	**-**	**14,209,050**	**68.75**	**-**
B.	**Public Share Holding**			-	-			-	-	-
(1)	Institutions			-	-			-	-	-
a)	Mutual Funds	1,248,346	-	1,248,346	6.04	1,842,997	-	1,842,997	8.92	2.88
b)	Banks/FI	1,014,589	-	1,014,589	4.91	988,349	-	988,349	4.78	(0.13)
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-		-	-	-	-
h)	Foreign Portfolio Investors	578,168	-	578,168	2.80	756,410	-	756,410	3.66	0.86
i)	Other (Specify)	38,950	-	38,950	0.19	219,667	-	219,667	1.06	0.87
	Sub Total (B)(1)	**2,880,053**	**-**	**2,880,053**	**13.93**	**3,807,423**	**-**	**3,807,423**	**18.42**	**4.49**
(2)	Non Institutions			-	-			-	-	-
a)	Bodies Corp.									
(i)	Indian	1,367,029	-	1,367,029	6.61	505,415		505,415	2.45	(4.17)
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals			-	-			-	-	-
(i)	Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1,504,375	341	1,504,716	7.28	1,489,581	109	1,489,690	7.21	(0.07)
(ii)	Individual Shareholders holding nominal share capital exceeds of Rs. 1 lakh	368,899	-	368,899	1.78	358,905	-	358,905	1.74	(0.05)
(c)	Others									
(i)	NBFC Registered with RBI	40,456	-	40,456	0.20	29,135		29,135	0.14	(0.05)
(ii)	Other (NRI)	79,373	-	79,373	0.38	81,762	-	81,762	0.40	0.01
(iii)	Other (Trust)	44,992	-	44,992	0.22	2,778	-	2,778	0.01	(0.20)
(iv)	Others (Resident HUF)	160,608	-	160,608	0.78	164,792	-	164,792	0.80	0.02
(v)	Other (Clearing Member)	12,620	-	12,620	0.06	18,846	-	18,846	0.09	0.03
	Sub-Total (B) (2)	**3,578,352**	**341**	**3,578,693**	**17.32**	**2,651,214**	**109**	**2,651,323**	**12.83**	**(4.49)**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**6,458,405**	**341**	**6,458,746**	**31.25**	**6,458,637**	**109**	**6,458,746**	**31.25**	**-**
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**20,667,455**	**341**	**20,667,796**	**100.00**	**20,667,687**	**109**	**20,667,796**	**100.00**	**-**

ii. Shareholding of Promoters

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% Change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pleged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pleged / encumbered to total Shares	
1	H C AGGARWAL HUF .	1,494,000	7.23	-	1,494,000	7.23	-	-
2	HARI CHAND AGGARWAL .	923,400	4.47	-	923,400	4.47	-	-
3	RAJESH AGGARWAL .	5,292,900	25.61	-	5,292,900	25.61	-	-
4	PUSHPA AGGARWAL .	2,151,900	10.41	-	2,151,900	10.41	-	-
5	RAJESH AGGARWAL HUF .	1,953,000	9.45	-	1,953,000	9.45	-	-
6	NIKUNJ AGGARWAL .	1,125,000	5.44	-	1,125,000	5.44	-	-
7	KRITIKA AGGARWAL	112,500	0.54	-	112,500	0.54	-	-
8	SANSKAR AGGARWAL	901,800	4.36	-	901,800	4.36	-	-
9	ISEC ORGANICS LIMITED	254,550	1.23	-	254,550	1.23	-	-
	Total	**14,209,050**	**68.75**	**-**	**14,209,050**	**68.75**	-	-

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

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

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

Sl. No.	Name of the top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	HDFC Small & Midcap Fund	658,187	3.18	1,466,580	7.10
2	Life Insurance Corporation of India	972,482	4.71	972,482	4.71
3	India Insight Value Fund	-	-	222,000	1.07
4	Fidelity Northstar Fund	193,380	0.94	200,000	0.97
5	HDFC Trustee Company Ltd A/c HDFC Hybrid Equity Fund	-	-	178,581	0.86
6	BNP Paribus MID CAP Fund	140,115	0.68	162,115	0.78
7	Mayank Singhal	-	-	84,000	0.41
8	SHBNPP India Security Master Equity	-	-	78,450	0.38
9	VEC India Special Situtation Master Fund Ltd	-	-	64,900	0.31
10	VEC Strategic Equity Funds	-	-	64,110	0.31

Sl. No.	Name of the top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
11	Sundaram Mutual Fund A/c Sundaram Rural India Fund	210,000	1.02	-	-
12	HDFC Trustee Company Limited A/c HDFC Balanced Fund	178,581	0.86	-	-
13	TATA AIA Life Insurance Co Ltd	143,938	0.70	-	-
14	SBI Life Insurance Co Ltd	143,667	0.70	30,925	0.15
15	Zealous Financial Services Private Limited	126,000	0.61	43,500	0.21
16	Vinod Infotech Private Limited	93,488	0.45	1,900	0.01

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors and KMP	Director Identification No. (DIN)	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
			No, of Shares	% of total shares of the company	No, of Shares	% of total shares of the company	
	Directors						
1	Hari Chand Aggarwal	00577015	923,400	4.47	923,400	4.47	-
2	Rajesh Aggarwal	00576872	5,292,900	25.61	5,292,900	25.61	-
3	Nikunj Aggarwal	06569091	1,125,000	5.44	1,125,000	5.44	-
	Key Managerial Personnel (KMPs)						
1	Sandeep Kumar (CS)*		-	-	-	-	-
2	Sandeep Aggarwal (CFO)		-	-	-	-	-

V. INDEBTEDNESS

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

(` in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11435.7	-	-	11435.7
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.78	-	-	21.78
Total (i+ii+iii)	**11457.48**	**-**	**-**	**11457.48**
Change in Indebtedness during the financial year				
· Addition	19165.43	-	-	19165.43
· Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	30520.44	-	-	30520.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	102.47	-	-	102.47
Total (i+ii+iii)	**30622.91**	**-**	**-**	**30622.91**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(` in Lacs)

Sl. No.	Particulars of the Remuneration	Hari Chand Aggarwal	Rajesh Aggarwal	Nikunj Aggarwal	Total Amount
1	**Gross Salary**				
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	107.33	95.26	42.53	245.12
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.40	0.40	0.40	1.20
	(c)Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	364.97	376.85	-	741.82
	- others, specify	-	-	-	-
5	Others (Company's contribution to PF)	6.48	5.75	2.44	14.67
	Total (A)	**479.18**	**478.26**	**45.37**	**1002.81**
	Ceiling as per the Act	Being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013			**1224.07**

B. Remuneration/ Sitting fee to other directors:

(` in Lacs)

Sl. No	Particulars of Remuneration	Fee for attending Board / Committee Meetings	Commission	Other, please Specify	Total Amount
1	**Independent Directors**				
	Mr. Navin Shah	1.00	-	-	1.00
	Mr. Virjesh Kumar Gupta	1.25	-	-	1.25
	Mr. Vinod Kumar Mittal	1.25	-	-	1.25
	Mr. S. Jayaraman	1.50	-	-	1.50
	Total (1)	**5.00**	**-**	**-**	5.00
2	**Other Non-Executive Directors**				
		-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B) = (1+2)	**5.00**	**-**	**-**	**5.00**
	Total Managerial Remuneration				
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)				

^Total remuneration to chairman and Managing Director, Whole-time directors and other Directors (Being the total of A and B)

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

(` in Lacs)

Sl. No.	Particulars of the Remuneration	Sandeep Kumar CS	Sandeep Aggarwal CFO	Total
1	**Gross Salary**			
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	8.16	30.56	38.72
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0.22	0.22
	(c)Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others			
	- Arrear Salary	0	0	0
	- Company's Contribution to PF	0.46	1.74	2.2
	Total	**8.62**	**32.52**	**41.14**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Code of Governance

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

II. Board Of Directors

i. Insecticides India recognises and embraces the importance of diverse, well informed Board to ensure high standards of Corporate Governance. At Insecticides India the Board is at the core of our Corporate Governance practice. The Board of Directors, along with its Committees, play a fundamental role in upholding and nurturing the principles of good governance in the Company. In addition to the requisite specific professional expertise, management and leadership experience for the given task, members of the Board cover the broadest possible spectrum of knowledge, experience, educational and professional backgrounds. The Board sets the overall corporate objectives and provides necessary guidance and independence to the Management. The Board operates within a well-defined framework, which enables it to discharge its responsibilities and duties of safeguarding the interests of the Company thereby enhancing stakeholder value. The Board has identified certain core skills and competencies which are required in the context of the business viz. Management and Strategy, Business Leadership, Human Resources and Industrial Relations, Purchase and Supply Chain, Research and Development, Finance and Taxation, CSR, Sustainability matters, Audit and Risk Management, understanding of corporate governance, regulatory, fiduciary and ethical requirements, integrity, credibility, trustworthiness, strong interpersonal skills and willingness to address issues proactively. The Board of Directors have demonstrated all the required core skills as well as competencies.

ii As on March 31, 2019, the Company has Seven Directors. Out of Seven Directors, Four (i.e. 57.14%) are Independent Directors. The profiles of Directors can be found on (http://www.insecticidesindia.com/board.html). The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI 'Listing Regulations') read with Section 149 of the Companies Act, 2013 (the 'Act').

iii. None of the Directors on the Board hold directorships in other Listed Company and in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors are related to each other except Shri Hari Chand Aggarwal, Shri Rajesh Aggarwal and Smt.NikunjAggarwal.

iv None of the Directors on the board of the Insecticides (India) Limited have been debarred or disqualified from being appointed or continue as director of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority and the certificate of the same has been received from the Company secretary in Practice.

v. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. Based on the disclosure received from the independent directors and also in the opinion of the board, the independent directors fulfil the conditions as specified in Companies act 2013, the Listing regulations and are independent of the management.

vi. Four Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

May 28, 2018; August 09, 2018; November 12, 2018 and February 04, 2019.

The necessary quorum was present for all the meetings.

vii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019, are given herein below. For reckoning the limit of the Board Committees, chairpersonship and membership, Audit Committee and Stakeholders' Relationship Committee has only been considered under Regulation 26(1) (b) of SEBI Listing Regulations.

Name of the Director & DIN	Category	Number of board meetings attended during the year	Whether attended last AGM	Number of Directorships in other Companies	Number of Committee positions held in other Companies		Share holding (No. of Share)
					Chairman	Member	
Shri Hari Chand Aggarwal (DIN:00577015)	Chairman cum Whole Time Director	4	Yes	-	-	-	923400
Shri Rajesh Aggarwal (DIN:00576872)	Managing Director	4	Yes	3	-	-	5292900
Smt. Nikunj Aggarwal (DIN:06569091)	Whole time Director	4	Yes	-	-	-	1125000
Shri Navin Shah (DIN:02701860)	Independent Director	3	No	2	-	-	-
Shri Virjesh Kumar Gupta (DIN:06382540)	Independent Director	4	Yes	-	-	-	-
Shri Vinod Kumar Mittal (DIN:07421742)	Independent Director	4	Yes	-	-	-	-
Shri S. Jayaraman (DIN:02634470)	Independent Director	3	Yes	-	-	-	-

viii. During the year 2018-19, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

ix. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company (http://www.insecticidesindia.com).

x. During the year 2018-19, one meeting of the Independent Directors were held on May 28, 2018. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.

xi. The Board periodically reviews the compliance reports of all laws applicable to the Company.

xii. The details of the familiarization programme of the Independent Directors are available on the website of the Company (http://www.insecticidesindia.com/FamiliarizationIDS.htm).

III. Committee of the Board

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

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

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

1. Audit Committee

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

During the year under review, Four (4) Audit Committee Meetings were held on May 28, 2018; August 09, 2018; November 12, 2018 and February 04, 2019. The maximum time-gap between any two consecutive meetings did not exceed 120 days.

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

Name of the Director	Category	Numbers of meetings attended
Shri Vinod Kumar Mittal	Independent Director - Chairman	4
Shri S. Jayaraman	Independent Director - Member	3
Shri Virjesh Kumar Gupta	Independent Director - Member	4

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

Terms of Reference

a) Oversight of the Company's financial reporting process and the disclosure of its financial information;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by them.

d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to.

   ➢ Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.

   ➢ Changes, if any, in accounting policies and practices and reasons for the same.

- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions
- Qualifications in the draft audit report.

e) Reviewing with the management the quarterly financial statements before submission to board for approval.

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

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.

h) Approval of the related party transactions as per policy of the Company, including granting of omnibus approval for related party transactions

i) Scrutiny of inter-corporate loans and investments.

j) Examination of the financial statement and the auditor's report thereon;

k) Valuation of undertakings or assets of the company, wherever it is necessary

l) Evaluation of internal financial controls and risk management systems. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

m) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

n) Reviewing the adequacy of internal audit function, if any, including frequency of internal audit.

o) Discussion with internal auditors of any significant findings and follow up there on.

p) Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

r) To review the functioning of the Vigil mechanism.

s) Management discussion and analysis of financial condition and results of operations.

t) The audit committee shall review the information required as per SEBI Listing Regulations.

2. Nomination and Remuneration Committee

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

During the year, 4 (Four) Nomination and Remuneration Committee Meetings were held on May 28, 2018; August 09, 2018; November 12, 2018 and February 04, 2019. The necessary quorum was present for all the meetings. The composition of the Nomination and Remuneration Committee and attendance of members at the meetings of the Nomination and Remuneration Committee held during the period are as follows-:

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

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

Terms of Reference

a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Directors' performance.

b) Formulation of the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

d) Devising a policy on diversity of board of director

e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

f) Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).

g) Determine on behalf of the Board of Directors of the Company the quantum of annual increments/ incentives on the basis of performance of the Key Managerial Personnel.

h) Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.

i) Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.

j) Consider other matters, as from time to time be referred to it by the Board.

Performance evaluation criteria for Independent Directors

Pursuant to the provisions of the Section 134 (3)(p) of the Companies Act, 2013 read with Regulation SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration committee carried out the annual performance evaluation of its Directors individually including the Chairman, and the Board accordingly evaluated the overall effectiveness of the Board of Directors, including its committees based on the ratings given by the Nomination and Remuneration Committee of the Company.

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

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

The Directors expressed their satisfaction to the above.

Details of the Remuneration for the year ended March 31, 2019:

a. Non-Executive Directors:

(` in Lacs)

Name	Sitting Fees (Rs.)
Shri Navin Shah	1.00
Shri Virjesh Kumar Gupta	1.25
Shri Vinod Kumar Mittal	1.25
Shri S. Jayaraman	1.50

b. Chairman, Managing Director and Executive Director

(` in Lacs)

Name	Shri Hari Chand Aggarwal	Shri Rajesh Aggarwal	Smt. Nikunj Aggarwal
Designation	Chairman and Whole-time Director	Managing Director	Whole-time Director
Salary & Allowances	101.93	90.65	40.68
Bonus/Performance Incentive	370.36	381.65	2.03
Perquisites	0.40	0.40	0.40
Companies Contribution to PF Stock options	6.48	5.76	2.44
Tenure	5 years	3 years	5 years
Notice Period & Severance Pay	Three Months	Three Months	Three Months
Performance Criteria	As per Agreement	As per Agreement	As per Agreement

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

3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

During the year, 5 (Five) Stakeholders Relationship Committee Meetings were held as on May 28, 2018; August 09, 2018; October 04, 2018; November 12, 2018 and February 04, 2019. The necessary quorum was present for all the meetings.The composition of Stakeholders Relationship Committee meeting and number of Stakeholders Relationship Committee meetings attended by the Members during the year is given below:

Name of the Director	Designation	Number of Meetings attended
Shri Virjesh Kumar Gupta	Independent Director - Chairman	5
Shri Navin Shah	Independent Director - Member	4
Shri Vinod Kumar Mittal	Independent Director - Member	5

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

Terms of Reference

a) To consider and resolve the grievances of Security holders of the Company.

b) To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters.

c) To look into and redress the Shareholders / investors grievances relating to:

   i. Transfer of shares;

   ii. Non-receipt of dividends;

   iii. Non-receipt of annual reports; and

   iv. Any other complaint concerning the Shareholders / investors

d) The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.

e) Such other matters as may be required, from time to time, by any statutory or regulatory authority to be attended by the Committee;

f) Consider other matters, as from time to time be referred to it by the Board

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

Sl. No.	Nature of Complaints	Received	Resolved	Pending
1	Non-receipt of Dividend Warrants and Dividend Draft Revalidation in respect of Shares	One	One	Nil
2	Non- receipt of Annual Report	Seven	Seven	Nil
3	Other	Three	Three	Nil
	Total	**Eleven**	**Eleven**	**Nil**

Compliance officer

Shri Sandeep Kumar,

Chief Compliance Officer and Company Secretary of the Company

4. Corporate Social Responsibility (CSR) Committee

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

During the year, 4 (Four) meetings of the Corporate Social Responsibility Committee were held on May 28, 2018; August 09, 2018, November 12, 2018 and February 04, 2019. The necessary quorum was present for all the meetings.The composition of Corporate Social Responsibility Committee meeting and number of Corporate Social Responsibility Committee meetings attended by the Members during the year is given below:

Name of the Director	Designation	Meetings attended
Hari Chand Aggarwal	Executive Director - Chairman	3
Rajesh Aggarwal	Executive Director - Member	4
Virjesh Kumar Gupta	Independent Director - Member	4

The Company Secretary acted as the Secretary to the Committee.

B. Terms of Reference

The Terms of reference of Corporate Social Responsibility Committee include:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activity to activities to be undertaken by the Company as per the Schedule VII of the Companies Act, 2013.

b) To recommend the amount of expenditure to be incurred on the activities related to CSR; and

c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

5. Finance Committee

The Board of Directors had re-constituted the Finance Committee and modified the term and reference of Finance Committee, during the year, 8 (Eight) Finance Committee Meetings were held as on May 14, 2018; May 28, 2018; August 09, 2018; August 27, 2018; September 17, 2018; October 03, 2018; November 12, 2018 and February 04, 2019.

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

Name of the Director	Designation	Number of Meetings attended
Shri Hari Chand Aggarwal	Executive Director - Chairman	8
Shri Rajesh Aggarwal	Executive Director - Member	8
Smt. Nikunj Aggarwal	Executive Director - Member	8
Shri Sandeep Aggarwal	Chief Financial Officer	8

The Company Secretary acted as the secretary to the Committee.

Terms of Reference

a) To Overview the day to day working of the Company;

b) Review of working capital and cash flow management;

c) Review of banking arrangement and taking all necessary actions connected therewith including refinancing for optimization of borrowing costs (subject to overall limit of borrowing);

d) Investment of the funds of the Company (subject to compliance of all applicable provisions of Companies Act, 2013);

e) Review, consider and advice to the board any other matter related to the Finance and management of the Company;

f) To negotiate with the banks in regard reduction of rate of interest, open new account and closure of accounts;

g) Give authority for creation, modification, satisfaction of charge on assets of the company, hypothecation on movable and immovable assets of the Company;

h) Power to authorize the persons/officers/ Directors or any other person in relation to representation before the government authorities, courts, quasi judicial bodies, banks and any other authorities as may be required;

i) Overview and take actions on the works of urgent matters;

j) Delegate any of its power, if required, to one or more members;

k) Any other matter to execute the foregoing.

l) The Finance Committee shall not take any policy related decisions of the Company.

IV. CEO/CFO Certification

The Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2019.

V. General Body Meetings

a) Annual General Meetings

Financial Year	Date	Time	Venue
2015-2016	September 21, 2016	11:30 A.M.	M.P.C.U. Shah Auditorium, Civil Lines, Delhi – 110054
2016-2017	August 08, 2017	04:30 P.M.	
2017-2018	August 08, 2018	12:30 P.M	

b) Special Resolution(s)

i. Four Special Resolution were passed by the shareholders at the 21st Annual General Meeting held on August 08, 2018 of the company. 1) Approved the Cost Auditor's remuneration for the Financial Year 2018-2019. 2). Re-appointed Shri Hari Chand Aggarwal as a Chairman and whole-time director for a period of 5 years w.e.f. October

01, 2017. 3) Re-appointment of Smt. Nikunj Aggarwal as whole-time director of the Company, for a period of 5 (five) years, w.e.f. May 02, 2018. 4) Approved the revision in remuneration of Shri Rajesh Aggarwal, Managing Director of the Company.

ii. One Special Resolution were passed by the shareholders at the 20th Annual General Meeting held on August 08, 2017 of the company i.e. Re-appointment of Rajesh Aggarwal as Managing Director of the Company for the term of 3 years from November 15, 2016 to November 14, 2019.

iii. Three Special Resolutions were passed by the shareholders at the 19th Annual General Meeting held on September 21, 2016 of the Company. 1). Approved the Increase of the remuneration of Shri Hari Chand Aggarwal as Chairman cum Whole-time Director 2). Approved the increase of the remuneration of Shri Rajesh Aggarwal as a Managing Director 3). Approved the Increase of the Remuneration of Smt. Nikunj Aggarwal as a Whole-time Director.

c) No Extra-Ordinary General Meeting held during Financial Year 2018-2019

d) Special Resolution passed through Postal Ballot

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

VI. Other Disclosures

a) Subsidiary Companies

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

b) Risk Management

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

c) Code of Conduct

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

All the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains declaration duly signed by the Managing Director.

d) Relationship among the Directors

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

e) Compliance

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

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

f) Disclosures

i. Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large

The details of related party transactions with the Company are given in Note No. 37 of the Notes to Accounts of the Company. Besides this, the Company has no material transaction with the related parties' viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

The Audit Committee has set out the criteria for granting approval to related party transactions which are repetitive in nature for the period of one year i.e. 2018-19 under the category of Omnibus transaction pursuant to Regulation 23 of LODR, 2015. The transactions as approved by the Audit Committee were entered at Arm's Length Price and were in ordinary course of business of the Company. These transactions have been disclosed in the Notes to Accounts of the Company and policy is available at http://www.insecticidesindia.com/Policy/RELATED%20PARTY%20TRANSACTION%20FINAL.pdf

ii. Disclosure of Accounting Treatment

In prepration of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

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

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

iv. Vigil Mechanism (Whistle Blower)Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. No personnel has been denied access to the Audit Committee. http://www.insecticidesindia.com/Policy/VIGIL%20MECHANISM%20(WHISTLE%20BLOWER)%20POLICY%20_28.01.2015.pdf

v. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year ended on March 31st2019, the Company has received Nil Complaints on sexual harassment. Also no complaints have been resolved or are pending in respect of sexual harassment before the Company.

vi. Credit Rating

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

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

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

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

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

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

ix. Auditors' Certificate on Corporate Governance

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

VII. Means of Communication

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

VIII. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Date	:	August 02, 2019
Time	:	10:30 a.m.
Venue	:	Shri Sathya Sai International Centre Pragati Vihar, Lodhi Road, New Delhi – 110 003

As required Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM held on Friday August 02, 2019.

ii. Financial Calendar

Year ending	:	March 31
AGM in	:	August 02, 2019
Dividend Payment	:	The Final dividend, if declared, shall be paid with in Statutory period.
iii. Date of Book Closure/ Record Date	:	27/07/2019 to 02/08/2019 (Both days Inclusive)
iv. Listing on Stock Exchanges	**:**	**BSE** P.J. Towers, Dalal Street, Mumbai – 400 001 **The National Stock Exchange of India Ltd. (NSE)** "Exchange Plaza" BandraKurla Complex, Bandra(E), Mumbai – 400 051

Annual listing fee for the year 2018-19, has been paid by the Company to BSE and NSE. Annual custodian charges of Depository have also been paid to NSDL and CDSL.

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

vi. ISIN No. : INE 070I01018

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

viii. Market Price data:

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 01st April, 2018 to 31st March, 2019 are given below:

Month	BSE			NSE		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (in Nos.)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (in Nos.)
Apr-2018	770.00	690.00	43,274	773.90	688.70	6,09,429
May-2018	800.95	716.00	44,657	799.00	711.45	5,97,386
Jun-2018	743.20	657.75	19,232	746.90	652.00	2,24,020
Jul-2018	765.00	644.05	17,560	765.85	641.70	1,65,600
Aug-2018	800.00	644.05	38,319	800.50	640.50	4,77,565
Sep-2018	658.65	489.00	47,985	653.50	489.95	3,78,336
Oct-2018	496.95	370.00	41,473	499.00	360.55	7,05,230
Nov-2018	577.30	405.50	1,09,767	575.00	409.95	11,81,028
Dec-2018	596.45	530.00	69,114	599.15	530.00	5,65,180
Jan-2019	657.00	565.20	1,10,612	658.00	565.35	6,40,991
Feb-2019	646.00	580.55	43,577	648.00	580.00	7,48,845
Mar-2019	684.00	610.00	33,104	680.10	609.30	2,95,948

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

ix. Registrar and Share Transfer Agent

Alankit Assignments Limited
(Unit: Insecticides (India) Limited)
Alankit House
1E/13, Jhandewalan Extension,
New Delhi – 110 055
Tel No. (011) 4254 1234
Fax No. (011) 4254 1967
Email: rta@alankit.com

x. Share Transfer System

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

xi. Shareholding as on March 31, 2019

a) Distribution of equity shareholding as on March 31, 2019:

Number of Shares	Holding	Percentage to Capital	Number of Accounts	Percentage to Total Accounts
1 to 100	286406	1.39	9912	77.12
101 to 500	513869	2.49	2194	17.07
501 to 1000	280090	1.36	368	2.85
1001 to 5000	627368	3.03	282	2.19
5001 to 10000	241057	1.17	33	0.26
10001 to 20000	337780	1.63	24	0.19
20001 to 30000	217937	1.05	9	0.07
30001 to 40000	315279	1.52	9	0.07
40001 to 50000	93500	0.45	2	0.02
50001 to 100000	343702	1.67	5	0.04
100001 to 500000	1129746	5.47	6	0.05
500001 to Above	16281062	78.77	9	0.07
Total	**20667796**	**100.00**	**12853**	**100.00**

b) Categories of equity shareholders as on March 31, 2019

Category	No. of shares held	% of Share-holding
Promoter and Promoter Group (A)	**14209050**	**68.75**
Public Shareholding		
Mutual Funds	1842997	8.92
Alternate Investment Funds	219667	1.06
Banks / Financial Institutions	988349	4.78
Foreign Portfolio Investor (Corporate)	756410	3.66
Individuals	1848595	8.94
NBFC's	29135	0.14
Any Other		0.00
- Body Corporate	505415	2.45
- Trust	2778	0.01
- NRI	81762	0.40
- Resident HUF	164792	0.80
- Clearing Member	18846	0.09
Total Public Shareholding (B)	**6458746**	**31.25**
Total Shareholding (A+B)	**20667796**	**100.00**

xii. Dematerialization of Shares and Liquidity

The shares of the Company fall under the category of compulsory delivery in dematerialized form by all categories of investors. The Company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depository Services Limited.

As on March 31, 2019, the number of shares held in dematerialized and physical mode is as under:

Category	No. of shares held	% of Share-holding
Held in Dematerialized form in NSDL	1176631	5.69
Held in Dematerialized form in CDSL	19491056	94.31
Physical	109	0.00
Total	**20667796**	**100.00**

xiii. Reconciliation of Share Capital Audit

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

xiv. Outstanding GDRs / Warrants and Convertible Bonds, Conversion Date and likely impact on Equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

xv. Plant Locations

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

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

xvi. Address for Correspondence

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

The Company Secretary & Compliance Officer

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

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

I, Rajesh Aggarwal, Managing Director of Insecticides (India) Limited hereby declares that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2019 compliance with the Code of Conduct of the Company laid down for them.

(Rajesh Aggarwal)
Managing Director
DIN: 00576872

Place: Delhi
Date: May 28, 2019

MD / CFO Certificate

The Board of Directors
Insecticides (India) Limited, Delhi

Dear Members of the Board,

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

1. We have reviewed Financial Statements and the Cash Flow Statement of Insecticides (India) Limited for the year ended March 31, 2019 and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit committee:
   a) significant changes, if any, in internal control over financial reporting during the year;
   b) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) that there are no instance of significant fraud of which we have become aware.

Place : Delhi
Date : May 28, 2019

Rajesh Aggarwal
Managing Director

Sandeep Aggarwal
Chief Financial Officer

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. The Corporate Governance Report prepared by Insecticides (India) Limited ("the Company"), contains detail as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

   Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2019.
5. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI''). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

9. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Devesh Parekh & Co.
Firm Regn. No.013338N
Chartered Accountants

Devesh Parekh
Proprietor
M. No. – 092160

Place : Delhi
Date : May 28, 2019

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2019

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

To,
The Members,
Insecticides (India) Limited
401-402, Lusa Tower,

Azadpur Commercial Complex, Delhi 110 033

I have conducted the secretarial audit of the financial year ending on March 31st 2019 for the compliance of applicable statutory provisions and the adherence to good corporate practices by Insecticides (India) Limited (hereinafter called as the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ending on March 31st 2019, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

   a) Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 -No foreign direct investment had been received by the Company during the financial year 2018-19;

   b) Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 : The Company had not invested any funds outside India in Joint Venture or subsidiary during the financial year 2018-19;

   c) Foreign Exchange Management (Borrowing or Lending) Regulations, 2018: The Company had not received any external commercial borrowings from outside India during the financial year 2018-19;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;-The Company has not issued any capital during the financial year 2018-19, hence the mentioned regulation is not applicable to the Company;

   d) The Securities and Exchange Board of India (Share Based Employees Benefits Regulations 2014); - The Company has not come with any ESOP or ESPS or share based employee benefits during the financial year ended on March 31, 2019, hence the mentioned regulations are not applicable to the Company;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; as the Company had not issued or listed debt securities during the financial year ending March 31, 2019, thus the said regulations are not applicable to Company;

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; as during the financial year ended March 31, 2019; the Company has not delisted any equity share, thus the mentioned regulations does not applicable to the Company; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; as the Company has not bought back any securities during the financial year ended on March 31, 2019, hence the said regulations are not applicable to Company;

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

ii. The Listing Agreements as entered into by the Company with the BSE Limited, National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

a) The Insecticides Act, 1968 & the Insecticides Rules, 1971 read with the Insecticide (Amendment) Rules, 2015

b) The Insecticides (Price, Stock, Display and Submission of Reports) Orders, 1968

c) The Fertilizers (Control) Order 1985

The management of the Company has represented and confirmed that the Company has generally complied with applicable provisions of industry specific laws as mentioned above and based upon such representation and our random test checks, I also state that Company has generally complied with applicable provisions of industry specific laws as mentioned above during the financial year 2018-19.

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with shorter notice after obtaining requisite consents, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through and views are captured and recorded as part of the minutes while no member of board has dissented to any proposed resolutions in board meetings.

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

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

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

M/s Akash Gupta & Associates
Practising Company Secretary
Membership No. 30099
Certificate of Practice No. 11038
Date: 27.05.2019
Place: Delhi

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

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

Our report for the financial year ending 31.03.2019 of even date is to be read along with this letter:

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

M/s Akash Gupta & Associates
Practising Company Secretary
Membership No. 30099
Certificate of Practice No. 11038
Date: 27.05.2019
Place: Delhi

SECRETARIAL COMPLIANCE REPORT OF INSECTICIDES (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2019

I have examined:

(a) All the documents and records made available to us and explanation provided by Insecticides (India) Limited ("the listed entity"),

(b) The filings/ submissions made by the listed entity to the stock exchanges,

(c) Website of the listed entity,

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of:

(a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 : The Company has not issued any capital during the financial year 2018-19, hence the mentioned regulation is not applicable to the Company;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: as the Company has not bought back any securities during the financial year ended on March 31, 2019, hence the said regulations are not applicable to Company;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: The Company has not come with any ESOP or ESPS or share based employee benefits during the financial year ended on March 31, 2019, hence the mentioned regulations are not applicable to the Company;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : As the Company had not issued or listed debt securities during the financial year ending March 31, 2019, thus the said regulations are not applicable to Company;

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013: As the Company had not issued or listed Non-Convertible and Redeemable Preference Shares during the financial year ending March 31, 2019, thus the said regulations are not applicable to Company;

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

(i) Other regulations as applicable;

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

(c) There were no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars)under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

(d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the review period.

Place: New Delhi
Date: 27th May 2019 Akash Gupta
(Prop.)
M. No. **30099**
CP No. **11038**

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENT

To the Members of Insecticides (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Insecticides (India)Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenue in view of adoption of Ind AS-115 "revenue from Contracts with Customers" in place of Ind AS-18 "Revenue" The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer. For the year ended March 31, 2019, the Company's Statement of Profit & Loss included Sales of Rs. 1,19,194.54 Lakhs. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period. Refer to Accounting policies Note 2.2 (b) and Note No. 20 of the standalone Financial Statements.	**Principal Audit Procedures** • We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements. • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. • We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. • We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • We validated the appropriateness and completeness of the related disclosures in Note No. 20 of the Standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. - Refer Note 38 to the standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Devesh Parekh & Co.**	For **S S Kothari Mehta & Company**
Chartered Accountants	Chartered Accountants
Firm’s Registration Number: 013338N	Firm’s Registration Number: 000756N
Devesh Parekh	**Harish Gupta**
Partner	Partner
Membership Number: 092160	Membership Number: 098336

Place: New Delhi
Date: May 28, 2019

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Insecticides (India)Limited of even date)

i. In respect of the Company’s property, plant & equipment:

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

   (b) The property, plant & equipment have been physically verified by the management according to the programme of periodical verification in phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant & equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

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

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph iii (a) to (c) of the Order are not applicable to the Company.

iv. According to the information, explanations and representations given to us and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.

v. The Company has not accepted any deposits from public.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by Central Government for the maintenance of the cost records under section 148(1) of the Act in respect to the Company’s products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further there were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2019.

(b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise, duty of custom and value added tax that have not been deposited on account of any dispute except as given below:

S. No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where dispute is pending	Gross Liability (A)	Amount Deposited under protest (B)	Net Amount* (Rs. In Lacs) (A-B)
1	Gujarat Stamp Act, 1958	Stamp Duty	2013-14	Commissioner of Revenue Department, Tehsil Vagra, District Bharuch	89.60	19.60	70.00
2	Gujarat Value Added Tax Act, 2003	VAT & CST	2011-12 & 2012-13	Joint Commissioner of commercial Tax, Baroda	268.27	85.28	182.99
3	Andhra Pradesh VAT Act, 2005	VAT	2014-15	APVAT Appellate Tribunal, Visakhapatnam.	122.08	61.04	61.04
4	MP VAT Act, 2002	CST	2012-13	Assistant Commissioner , VAT, Indore	1.52	0.15	1.37
5	Central Excise Act, 1944	Excise Duty	2015-16	Central Excise & Service Tax Audit Commissionerate, Jaipur	352.10	17.60	334.50
6	Central Excise Act, 1944	Excise Duty	2015-16, 2016-17 & 2017-18	Central Excise Audit Commissionerate, Jaipur	294.37	11.04	283.33
7	Central Excise Act, 1944	Excise Duty	2012-13 & 2013-14	Central Excise Audit Commissionerate, Jammu	360.56	9.01	351.55
8	Central Excise Act, 1944	Excise Duty	2012-13 & 2013-14	Central Excise Audit Commissionerate, Jammu	135.14	5.07	130.07

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any bank.

The Company has not taken any loans or borrowings from the government and financial institution. Further, the Company had not issued any debentures.

ix. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were raised.

x. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related parties transactions have been disclosed in the standalone financial statements as required by the applicable Accounting standards.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully / partly convertible debentures during the year in terms of provisions of Sections 42 of the Act.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as the provisions of the section is not applicable to the Company.

For **Devesh Parekh & Co.** Chartered Accountants Firm's Registration Number: 013338N	For **S S Kothari Mehta & Company** Chartered Accountants Firm's Registration Number: 000756N
Devesh Parekh Partner Membership Number: 092160	**Harish Gupta** Partner Membership Number: 098336

Place: New Delhi
Date: May 28, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Insecticides (India)Limited of even date)

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

We have audited the internal financial controls with reference to financial statements of **INSECTICIDES (INDIA) LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Devesh Parekh & Co.** Chartered Accountants Firm's Registration Number: 013338N	For **S S Kothari Mehta & Company** Chartered Accountants Firm's Registration Number: 000756N
Devesh Parekh Partner Membership Number: 092160	**Harish Gupta** Partner Membership Number: 098336

Place: New Delhi
Date: May 28, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	23,715.03	22,837.65
(b) Capital work-in-progress	3	1,271.42	1,268.32
(c) Intangible assets	4	304.95	319.32
(d) Intangible assets under development	4	628.71	413.91
(e) Investment in joint venture	5	795.00	795.00
(f) Financial assets			
(i) Investments	6(a)	388.01	831.09
(ii) Other financial assets	6(b)	156.84	188.60
(g) Other non-current assets	7	1,531.34	1,087.27
(h) Non-current tax assets (net)	8	454.90	315.50
TOTAL NON-CURRENT ASSETS		**29,246.20**	**28,056.66**
2 CURRENT ASSETS			
(a) Inventories	9	70,510.65	40,728.95
(b) Financial Assets			
(i) Trade receivables	10(a)	24,424.89	23,481.20
(ii) Cash and cash equivalents	10(b)	894.17	1,956.32
(iii) Bank balances other than (ii) above	10(c)	29.83	54.67
(iv) Loans	10(d)	1,244.19	5.96
(v) Other financial assets	10(e)	431.02	327.95
(c) Other current assets	11	8,708.08	5,394.23
TOTAL CURRENT ASSETS		**1,06,242.83**	**71,949.28**
TOTAL ASSETS		**1,35,489.03**	**1,00,005.94**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	2,066.78	2,066.78
(b) Other Equity	13	64,067.97	52,692.24
TOTAL EQUITY		**66,134.75**	**54,759.02**
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14(a)	131.60	828.41
(b) Provisions	15	74.93	56.50
(c) Deferred tax liabilities (net)	16	1,786.87	1,884.36
TOTAL NON-CURRENT LIABILITIES		**1,993.40**	**2,769.27**
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17(a)	29,517.24	9,676.25
(ii) Trade Payables	17(b)		
(A) total outstanding due of micro enterprises and small enterprises; and		566.74	825.86
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		27,419.86	23,509.79
(iii) Other financial liabilities	17(c)	3,014.24	2,449.71
(b) Provisions	18	134.16	29.27
(c) Other current liabilities	19	6,708.64	5,986.77
TOTAL CURRENT LIABILITIES		**67,360.88**	**42,477.65**
TOTAL EQUITY AND LIABILITIES		**1,35,489.03**	**1,00,005.94**

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

Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S Kothari Mehta & Company
Chartered Accountants

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Place : Delhi
Date : May 28, 2019

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations	20	1,19,194.54	1,10,639.42
Other Income	21	230.77	324.11
TOTAL INCOME		**1,19,425.31**	**1,10,963.53**
EXPENSES			
Cost of raw material and components consumed	22	1,02,916.79	65,140.36
Purchase of Traded Goods		6,041.45	7,080.21
Changes in inventories of finished goods, work-in-progress and traded goods	23	(26,695.44)	4,121.97
Excise Duty		-	3,314.30
Employee benefits expense	24	6,518.53	5,062.14
Finance Costs	25	1,522.20	1,591.76
Depreciation and amortization expense	26	1,968.10	1,704.59
Other expenses	27	11,853.04	11,138.48
TOTAL EXPENSES		**1,04,124.67**	**99,153.81**
PROFIT BEFORE TAX		**15,300.64**	**11,809.72**
Tax Expenses	29		
- Current Tax		3,798.67	3,560.30
- Deferred Tax		(738.70)	(147.94)
TOTAL TAX EXPENSES		**3,059.97**	**3,412.36**
PROFIT FOR THE PERIOD		**12,240.67**	**8,397.36**
Other comprehensive income	30		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		(443.08)	520.79
Remeasurement of net defined benefit plans		(41.11)	6.11
Income tax relating to these items		117.59	(123.43)
Other comprehensive income for the period (net of tax)		**(366.60)**	**403.47**
Total comprehensive income for the period (net of tax)		**11,874.07**	**8,800.83**
Earnings per equity share	40		
Basic earnings per share (INR)		59.23	40.63
Diluted earnings per share (INR)		59.23	40.63

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

Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S Kothari Mehta & Company
Chartered Accountants

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Place : Delhi
Date : May 28, 2019

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

(A) EQUITY SHARE CAPITAL (REFER NOTE 12)

Particulars	Amount
As at April 1, 2017	**2,066.78**
Changes in equity share capital	-
As at March 31, 2018	**2,066.78**
Changes in equity share capital	-
As at March 31, 2019	**2,066.78**

(B) OTHER EQUITY (REFER NOTE 13)

Particulars	Reserves and surplus			Equity instruments through Other Comprehensive Income	Other items of Other Comprehensive Income/ (loss)	Total Other Equity
	Securities premium	General reserve	Retained earnings			
Balance at April 1, 2017	**10,410.18**	**3,201.52**	**30,793.69**	**(2.50)**	**(13.97)**	**44,388.92**
Profit for the year			8,397.36			8,397.36
Other comprehensive income (Net of taxes)				399.47	4.00	403.47
Total comprehensive income for the period			**8,397.36**	**399.47**	**4.00**	**8,800.83**
Dividend paid during the year			(413.35)			(413.35)
Tax on Dividend paid			(84.16)			(84.16)
Balance at March 31, 2018	**10,410.18**	**3,201.52**	**38,693.54**	**396.97**	**(9.97)**	**52,692.24**
Profit for the year			12,240.67			12,240.67
Other comprehensive income (Net of taxes)				(339.86)	(26.74)	(366.60)
Total comprehensive income for the period			**12,240.67**	**(339.86)**	**(26.74)**	**11,874.07**
Dividend paid during the year			(413.35)			(413.35)
Tax on Dividend paid			(84.99)			(84.99)
Balance at March 31, 2019	**10,410.18**	**3,201.52**	**50,435.87**	**57.11**	**(36.71)**	**64,067.97**

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

Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

For S S Kothari Mehta & Company
Chartered Accountants

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Place : Delhi
Date : May 28, 2019

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**15,300.64**	**11,809.72**
Adjustment on account of		
- Depreciation	1,968.10	1,704.59
- (Profit)/ Loss on Sale of Assets	49.55	23.06
- Miscellaneous Expenses	6.34	6.34
- Interest Income	(41.07)	(32.66)
- Dividend Income	(9.10)	(8.03)
- Interest Expenses	1,522.20	1,591.76
- Bad debts written off	23.08	22.64
- Provision for impairment of trade receivables	123.08	101.22
- Derivative (gain) / loss	129.08	(212.60)
- Unrealised exchange differences	(5.52)	(25.01)
Operating Profit Before Working Capital Changes	**19,066.38**	**14,981.03**
Adjustments for		
- (Increase)/Decrease in security deposits	33.48	(3.40)
- (Increase)/Decrease in inventories	(29,781.70)	1,848.71
- (Increase)/Decrease in trade receivables	(1,089.85)	(2,443.60)
- (Increase)/Decrease in loans	(10.65)	(5.30)
- (Increase)/Decrease in other financial assets	(112.19)	96.23
- (Increase)/Decrease in other current assets	(3,099.49)	1,005.22
- (Increase)/Decrease in provisions	82.21	(44.34)
- Increase/(Decrease) in trade payables	3,650.95	4,467.24
- Increase/(Decrease) in other financial liabilities	404.80	45.86
- Increase/(Decrease) in other current liabilities	721.87	831.38
Cash generated from operations	**(10,134.19)**	**20,779.03**
Less: Income tax paid	(3,179.27)	(2,624.78)
Net Cash Flow from Operating Activities (A)	**(13,313.46)**	**18,154.25**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
- Addition to property, plant and equipment and intangible assets	(3,790.50)	(2,817.76)
- Proceeds from sale of property plant and equipment	46.08	16.18
- Interest received	41.07	32.66
- Proceeds from / (investment in) bank deposits	23.64	180.02
- Loans given	(1,227.58)	-
- Dividends received	8.20	6.61
Net Cash Flow used in Investing Activities (B)	**(4,899.09)**	**(2,582.29)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
- Repayment of long term borrowings	(742.59)	(1,256.18)
- Proceeds/(Repayment) from/of short term borrowings	19,832.58	(10,947.94)
- Interest paid	(1,441.25)	(1,598.87)
- Dividend paid	(498.34)	(497.51)
Net Cash Flow (used in) / from Financing Activities (C)	**17,150.40**	**(14,300.50)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(1,062.15)**	**1,271.46**
Cash and Cash Equivalents at the beginning of the year	1,956.32	684.86
Cash and Cash Equivalents at the end of the year	**894.17**	**1,956.32**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
On current accounts	885.34	1,948.17
Cash on hand	8.83	8.15
Total cash and cash equivalents	**894.17**	**1,956.32**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2018	Cash flows	Unrealised exchange difference	As at March 31, 2019
Long term borrowings (including current maturities)	1,759.45	(742.59)	(13.66)	**1,003.20**
Short term borrowings	9,676.25	19,832.58	8.41	**29,517.24**
	11,435.70	**19,089.99**	**(5.25)**	**30,520.44**

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

Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

For S S Kothari Mehta & Company
Chartered Accountants

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Place : Delhi
Date : May 28, 2019

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. **Corporate Information**

Insecticides (India) Limited ("The Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act. The shares of the Company are listed in India on the Bombay Stock Exchange Limited and National Stock Exchange. The registered office of the Company is located at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi, 110033. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both domestic and international markets.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2019.

2. **Significant accounting policies**

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount

(a) Derivative financial instruments

(b) Plan assets of defined employee benefit plans

(c) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2. Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle.

b) It is held primarily for the purpose of trading.

c) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

(b) Revenue recognition

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is stated inclusive of excise duty and excludes sales tax/ value added tax (VAT) / Goods and Service Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

Sales of goods

Revenue from the sale of goods is recognised once the performance obligation as per the contract is satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods.

Rendering of services

Income from services are recognized as and when the services are rendered.

Interest income

For all financial instruments measured either at amortised cost or fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Export Incentives

Export incentives are recognized in the Statement of Profit and 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.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and capital work in progress recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and capital work in progress.

Items of property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on remaining items of property, plant & equipment has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Nature of Tangible Assets	Useful Life (years)
Plant &Equipments	10 – 15
Building	30
Laboratory Equipments	10
Office Equipments	5
Furniture, Fixtures &Equipments	10
Vehicles	8-10
Leasehold improvements	Over the period of lease or useful life whichever is lower

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Leasehold Land

Leasehold land is amortised on straight line basis over the period of lease. No depreciation is provided for leasehold land when the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without / with marginal payment of further premium.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Intangible assets

The Company has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2016 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Company's intangible assets is as follows:-

Intangible assets	Useful Life (years)	Amortisation method used
Computer Software	8	Amortised on straight-line basis
Websites	2	Amortised on straight-line basis
Patents, trademarks and designs	10	Amortised on straight-line basis

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Foreign currencies

Transactions and Balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the Statement of Profit and Loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets.

(g) Fair value measurement

The Company measures financial instruments, such as, derivatives and equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (note 33)

- Financial instruments (including those carried at amortised cost) (note 6, 10, 14 and 17)

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2(e)). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(i) Inventories

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition including excise duty wherever applicable. Fixed production overheads are based on normal capacity of production facilities.

Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value. Cost of finished goods includes excise duty, as applicable.

Traded goods are valued at lower of cost and net realizable value.

Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(k) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(l) Retirement and other employee benefits

Provident Fund and Employee State Insurance is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is unfunded.

Re-measurement, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Debt instruments at amortised cost

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security deposits & other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade and other receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

c) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

Not due	0-90 days	90-180 days	180-360 days	360-720days	More than 720 days
0.10%	0.20%	0.50%	5.00%	50.00%	100.00%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credits and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information refer note 14 and 17

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as interest rate swaps, currency swaps, options and forward contracts to hedge its interest rate and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(q) Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Export Benefits

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

(t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. The Company has identified the Managing Director as the CODM who assesses the financial performance and makes strategic decisions. Refer note 36 for segment information presented.

(v) Standards issued but not yet effective

"Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS-116 - Leases

The Standard replaces the existing Ind AS 17 "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Ind AS -12 Income taxes:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

The Company is evaluating the requirements of the amendments and its effect on the Financial Statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in INR in 'Lacs', unless mentioned otherwise)

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS PROPERTY, PLANT AND EQUIPMENT

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2018	Addition	Sale / Adjustment	Balance as at March 31, 2019	Balance as at April 01, 2018	Depreciation for the year		Balance as at March 31, 2019	As at March 31, 2019	As at March 31, 2018
						Depreciation	Disposal / adjustments			
Freehold land	84.54	3.97	-	88.51	-	-	-	-	88.51	84.54
Finance lease assets - Land	2,001.72	114.40	-	2,116.12	9.13	4.59	-	13.72	2,102.40	1,992.59
Buildings	7,333.11	210.58	-	7,543.69	420.16	256.94	-	677.10	6,866.59	6,912.95
Plant and machinery	13,563.86	2,052.87	10.38	15,606.35	1,986.49	1,238.88	2.41	3,222.96	12,383.39	11,577.37
Roads	1,330.39	-	-	1,330.39	307.43	153.72	-	461.15	869.24	1,022.96
Office equipments	87.42	34.69	-	122.11	34.15	17.75	-	51.90	70.21	53.27
Furniture & fixtures	185.34	30.92	-	216.26	41.98	19.65	-	61.63	154.63	143.36
Electrical fittings	296.75	58.77	-	355.52	85.39	43.73	-	129.12	226.40	211.36
Computers	112.41	90.35	0.18	202.58	63.04	21.72	0.07	84.69	117.89	49.37
Vehicles	1,009.65	276.88	146.30	1,140.23	219.77	143.44	58.75	304.46	835.77	789.88
Total	**26,005.19**	**2,873.43**	**156.86**	**28,721.76**	**3,167.54**	**1,900.42**	**61.23**	**5,006.73**	**23,715.03**	**22,837.65**

Capital Work In Progress	
Cost	**Amount**
As at April 1, 2018	**1,268.32**
Additions	2,262.14
Capitalised during the year	(2,259.04)
As at March 31, 2019	**1,271.42**

a) **Capitalised borrowing costs -** Neither borrowing cost has been capitalised nor has been transferred to Capital Work in Progress on account of borrowing cost during the year ended March 31, 2019. The detail thereof is as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance Amount included under the captioned head CWIP at the opening of the year	-	2,412.91
Amount of interest transfer from CWIP and Capitalised in respective Assets	-	2,412.91
Amount of interest transfer for Capitalisation under the Captioned Head - CWIP	-	-
Balance Amount included under the captioned head CWIP at the year end	**-**	**-**

The weighted average rate for capitalisation of interest relating to general borrowings was NIL for the year ended March 31, 2019 and year ended March 31, 2018.

b) **Contractual obligations** - Refer to note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) **Capital work-in-progress** - Capital work in progress majorly comprises expenditure in the course of construction at Dahej Plant

d) **Assets charged against borrowings** - Refer note 41 for property, plant and equipment pledged as security against current and non-current borrowings

4. INTANGIBLE ASSETS

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as on April 01, 2018	Addition	Sale / Adjustment	Balance as on March 31, 2019	Balance as on April 01, 2018	Amortisation for the year: Amortisation	Amortisation for the year: Disposal / adjustment	Balance as on March 31, 2019	As on March 31, 2019	As on March 31, 2018
Software	133.46	18.63	-	152.09	44.67	25.61	-	70.28	81.81	88.79
Website	-	1.65	-	1.65	-	0.42	-	0.42	1.23	-
Patents, trademarks and designs	295.35	33.03	-	328.38	64.82	41.65	-	106.47	221.91	230.53
Total	**428.81**	**53.31**	**-**	**482.12**	**109.49**	**67.68**	**-**	**177.17**	**304.95**	**319.32**

Intangible assets under development	
Cost	**Amount**
As at April 1, 2018	**413.91**
Additions	268.11
Capitalised during the year	(53.31)
As at March 31, 2019	**628.71**

Intangible assets under development mainly comprises mobile application, website under development and patents for which registration is awaited.

5. INVESTMENT IN JOINT VENTURE

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in unquoted equity shares - Fully paid-up - At cost		
795,000 {(March 31, 2018: 795,000) Equity Shares of OAT & IIL India Lab.(P) Ltd. at INR 100 Each	795.00	795.00
Total	**795.00**	**795.00**

6. FINANCIAL ASSETS - NON-CURRENT

6(A) INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Investments stated at Fair Value through OCI		
Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
36,400 {(March 31, 2018: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company) (April 1, 2016: 18,200 shares received during the year on split of total 18,200 original shares)	388.01	831.09
Total	**388.01**	**831.09**
Aggregate book value of quoted investments	388.01	831.09
Aggregate market value of quoted investments	388.01	831.09

6(B) OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at fair value through profit and loss		
Derivative assets	-	-
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposits having maturity of more than twelve months	29.82	28.10
Security deposits	127.02	160.50
Total	**156.84**	**188.60**

7. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Capital advances		
-to related parties	610.93	-
-to others	690.06	636.23
Advances other than Capital Advances		
Balances with government authorities	230.35	444.70
Prepaid expenses	-	6.34
Total	**1,531.34**	**1,087.27**

8. NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax	454.90	315.50
[Net of provision for tax INR 3,288.29 (March 31, 2018: INR 2,532.74)]		
Total	**454.90**	**315.50**

9. INVENTORIES

Particulars	As at March 31, 2019	As at March 31, 2018
At the lower of cost and net realisable value		
Raw Material {INR 2,444.18 (March 31, 2018: INR 283.69) in transit}	18,501.32	15,515.06
Packing material {INR 10.90 (March 31, 2018: INR 1.45) in transit}	1,376.58	1,329.89
Work-in-progress	6,742.27	3,229.09
Stock-in-trade (Traded Goods)	2,487.46	2,959.94
Finished goods (Manufactured) {(INR 2,183.27 (March 31, 2018: NIL) in transit}	41,237.59	17,582.85
Stores, Spares Parts & Fuel {INR 35.84 (March 31, 2018: INR 0.96) in transit}	165.43	112.12
Total	**70,510.65**	**40,728.95**

10. FINANCIAL ASSETS - CURRENT

10(A) TRADE RECEIVABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	24,951.63	23,884.87
Less: Impairment of Trade Receivables	(526.74)	(403.67)
Total	**24,424.89**	**23,481.20**
Current portion	24,424.89	23,481.20
Non-current portion	-	-
Breakup of Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	24,424.89	23,481.20
Credit Impaired	526.74	403.67
Subtotal	**24,951.63**	**23,884.87**
Impairment of Trade Receivables (refer note 34)	(526.74)	(403.67)
Total	**24,424.89**	**23,481.20**

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

- Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.

- For explanations on the Company's credit risk management processes, refer note 34

10(B) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
On current accounts	885.34	1,948.17
Cash on hand	8.83	8.15
Total	**894.17**	**1,956.32**

10(C) OTHER BANK BALANCES

Particulars	As at March 31, 2019	As at March 31, 2018
In earmarked accounts		
Unpaid dividend	4.05	3.52
Deposits with remaining maturity between three and twelve months*	25.78	51.15
Total	**29.83**	**54.67**

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

10(D) LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to employees	16.61	5.96
Inter Corporate Deposits	1,227.58	-
Total	**1,244.19**	**5.96**
Loans due from directors or other officers of the Company at the end of the period	Nil	Nil

10(E) OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at fair value through profit and loss		
Derivative assets	4.10	14.13
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	7.71	6.80
Insurance claim recoverable	-	0.39
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	97.33	4.98
Interest subsidy recoverable	302.28	282.05
Total	**431.02**	**327.95**

11. OTHER CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 37)	357.65	0.31
-to others	522.55	551.33
Advances to employees	17.14	17.62
Balances with government authorities	7,683.19	4,678.72
Prepaid expenses	127.55	146.25
Total	**8,708.08**	**5,394.23**
Advance due from Directors or other officers at the end of the year/ period	Nil	Nil
Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	1.98	-

12. EQUITY SHARE CAPITAL

Authorised share capital	Number of shares	INR
As at April 1, 2018	2,50,00,000.00	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2019	**2,50,00,000.00**	**2,500.00**
Issued equity share capital	**Number of shares**	**INR**
Equity shares of INR 10 each issued, subscribed and fully paid.		
As at April 1, 2018	2,06,67,796.00	2,066.78
Increase/(decrease) during the year	-	-
At March 31, 2019	**2,06,67,796.00**	**2,066.78**

(a) Rights, preferences and restrictions attached to shares :

The company has only one class of equity shares having face value of INR 10/- per share. Each shareholder is eligible for one vote per share held. 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.

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

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	52,92,900	25.61	52,92,900	25.61
Pushpa Aggarwal	21,51,900	10.41	21,51,900	10.41
Rajesh Aggarwal (HUF)	19,53,000	9.45	19,53,000	9.45
Hari Chand Aggarwal (HUF)	14,94,000	7.23	14,94,000	7.23
Nikunj Aggarwal	11,25,000	5.44	11,25,000	5.44

(c) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date The company has alloted 63,41,483 number of Equity Shares as Bonus Shares on April 25, 2015 in the ratio of 2:1 and the same got listed on May 8, 2015.

13. OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings	50,435.87	38,693.54
Securities premium	10,410.18	10,410.18
General reserve	3,201.52	3,201.52
Equity instruments through Other Comprehensive Income	57.11	396.97
Other items of other Comprehensive Income/(loss)	(36.71)	(9.97)
Total Other Equity	**64,067.97**	**52,692.24**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Retained Earnings		
Opening balance	38,693.54	30,793.69
Profit for the year	12,240.67	8,397.36
Dividend paid during the year	(413.35)	(413.35)
Tax on Dividend paid	(84.99)	(84.16)
Closing balance	**50,435.87**	**38,693.54**

Particulars	As at March 31, 2019	As at March 31, 2018
(ii) Securities premium		
Opening balance	10,410.18	10,410.18
Additions during the year	-	-
Closing balance	**10,410.18**	**10,410.18**
(iii) General reserve		
Opening balance	3,201.52	3,201.52
Add: Appropriations	-	-
Closing balance	**3,201.52**	**3,201.52**
(iv) Equity instruments through Other Comprehensive Income		
Opening balance	396.97	(2.50)
Change in fair value of FVTOCI equity instruments	(339.86)	399.47
Closing balance	**57.11**	**396.97**
(v) Other items of other Comprehensive Income/(loss)		
Opening balance	(9.97)	(13.97)
Remeasurement of net defined benefit plans	(26.74)	4.00
Closing balance	**(36.71)**	**(9.97)**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 30		
Total other equity	**64,067.97**	**52,692.24**

Nature and purpose of reserves

a) **Securities premium -** Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium”. The Company may use this reserve for issuing fully paid-up bonus shares, buy-back of shares and for expenses in relation to issue of shares.

b) **General reserve -** General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares . No amount has been transferred to general reserve during the years ended March 31, 2019 & March 31, 2018.

c) **FVTOCI equity investments -** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The company transfers amounts from this reserve within equity when the relevant equity securities are derecognised.

14(A). BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Indian Rupee loan from banks		
Term loans	682.35	1,364.71
Vehicle loans	320.85	313.28
Foreign currency loan from banks	-	81.46
Unsecured		
Loans from other parties	-	-
Total	**1,003.20**	**1,759.45**
Less: Current maturities of long-term debt (included in note 17(c))	871.60	931.04
Non-current borrowings (as per balance sheet)	**131.60**	**828.41**

Nature of Security and terms of repayment for secured borrowing :

a) **Indian rupee term loan**

The Indian Rupees Term Loans outstanding amounts to INR 682.35 (March 31, 2018 - INR 1,364.71) have been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. This outstanding loan are repayable quarterly in 4 installments alongwith interest rates 10.95% per annum.

b) **Foreign currency term loan**

The Foreign Currency outstanding loan amounting to NIL(March 31, 2018 - INR 81.46) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The interest is to be paid on quarterly basis at Libor plus 3.00%. Further, the company has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

c) **Vehicle loans**

Term Loans from banks for vehicles have been secured by hypothecation of vehicles. Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 8.40% to 10% per annum.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 41.

15. LONG TERM PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Employee benefit provisions		
Provision for leave encashment	74.93	56.50
Total	**74.93**	**56.50**

16. DEFERRED TAX LIABILITIES (NET)

Particulars	As at April 1, 2018	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2019
Property, plant and equipment and intangible assets	(1,905.92)	303.04	-	-	(2,208.96)
Derivatives	(4.94)	(3.51)	-	-	(1.43)
Borrowings	-	-	-	-	-
Investments	(120.57)	-	(103.22)	-	(17.35)
Total deferred tax liabilities	**(2,031.43)**	**299.53**	**(103.22)**	**-**	**(2,227.74)**
Set-off of deferred tax assets pursuant to set-off provisions					
MAT credit	-	(955.55)	-	744.43	211.12
Allowance for doubtful debts - trade receivables	141.06	(43.00)	-	-	184.06
Derivatives	1.24	(41.51)	-	-	42.75
Borrowings	4.77	1.83	-	-	2.94
Total deferred tax assets	**147.07**	**(1,038.23)**	**-**	**744.43**	**440.87**
Net deferred tax assets / (liabilities)	**(1,884.36)**	**(738.70)**	**(103.22)**	**744.43**	**(1,786.87)**

Particulars	As at April 1, 2017	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2018
Property, plant and equipment and intangible assets	(2,025.47)	(119.55)	-	-	(1,905.92)
Derivatives	(20.24)	(15.30)	-	-	(4.94)
Borrowings	(9.92)	(9.92)	-	-	-
Investments	0.75	-	121.32	-	(120.57)
Total deferred tax liabilities	**(2,054.88)**	**(144.77)**	**121.32**	**-**	**(2,031.43)**
Set-off of deferred tax assets pursuant to set-off provisions					
MAT credit	1,018.34	-	-	1,018.34	-
Allowance for doubtful debts - trade receivables	104.67	(36.39)	-	-	141.06
Derivatives	34.64	33.40	-	-	1.24
Borrowings	4.59	(0.18)	-	-	4.77
Total deferred tax assets	**1,162.24**	**(3.17)**	**-**	**1,018.34**	**147.07**
Net deferred tax assets / (liabilities)	**(892.64)**	**(147.94)**	**121.32**	**1,018.34**	**(1,884.36)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

17. FINANCIAL LIABILITIES - CURRENT

17(A) Borrowings

Particulars	Maturity date	Interest rate	As at March 31, 2019	As at March 31, 2018
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr 19-May 19	8.30% - 9.55%	13,400.00	5,600.00
FCNR Loans (USD)	Jul-19	7.95%	1,208.40	-
Cash credit from banks	On demand	7.90% - 10.95%	12,593.46	2,379.56
Buyers Credit Loans (USD)	Apr 19-Sep 19	3.75% - 4.05%	2,265.09	1,670.24
Cheques sent for collection	-	-	50.29	26.45
Total			**29,517.24**	**9,676.25**

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

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 41.

17(B) TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables	24,766.88	22,944.79
Trade payables to related parties (refer note 37)	3,219.72	1,390.86
Total	**27,986.60**	**24,335.65**

Particulars	As at March 31, 2019	As at March 31, 2018
(A) total outstanding due of micro enterprises and small enterprises; and	566.74	825.86
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	27,419.86	23,509.79
Total	**27,986.60**	**24,335.65**

Trade payables are non-interest bearing and are settled on agreed terms.

Refer note 43 for disclosure pertaining to Micro, Small & Medium Enterprises Development Act, 2006

17(C) OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities at amortised cost		
Current maturities of long-term borrowings (note 14(a))	871.60	931.04
Security deposits received from customers	633.13	492.37
Creditors for capital expenditure	134.57	115.67
Interest accrued on borrowings	102.47	21.79
Employee payables		
- to related parties (refer note 37)	165.40	15.85
- to others	980.69	866.20
Unpaid dividend account	4.05	3.52
Financial liabilities at fair value through profit and loss		
Derivative liabilities	122.33	3.27
Total	**3,014.24**	**2,449.71**

18. SHORT TERM PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Employee benefit provisions		
Provision for gratuity	130.93	27.10
Provision for leave encashment	3.23	2.17
Total	**134.16**	**29.27**

(A) DEFINED CONTRIBUTION PLAN

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss: (note 24)	Year ended March 31, 2019	Year ended March 31, 2018
Employers' Contribution to Employee's Provident Fund (including admin charges)	293.10	239.21
Employers' Contribution to Employee's State Insurance	36.16	35.58
Total	**329.26**	**274.79**

(B) DEFINED BENEFIT PLAN

(i) Gratuity

The company has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company provides for the liability in its books of accounts based on the actuarial valuation by applying the Projected Unit Credit Method.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The principal assumptions used in determining gratuity benefit obligations for the company's plan are shown below:	As at March 31, 2019	As at March 31, 2018
Rate of Discounting	7.79%	7.86%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	IALM (2006-08)	IALM (2006-08)

Changes in the present value of the defined benefit obligation are as follows:	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	526.06	458.93
Interest cost	41.35	34.51
Current service cost	61.09	56.67
Past service cost	-	12.00
Benefits paid	(40.14)	(28.65)
Actuarial (gain) / loss		
Due to change in financial assumptions	3.95	(17.13)
Due to change in experience	35.59	9.73
Closing defined benefit obligation	**627.90**	**526.06**

Changes in the Fair Value of Plan Assets are as follows:	As at March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets at the Beginning of the Period	498.97	375.38
Interest Income	39.22	28.22
Contributions by the Employer	0.50	125.30
Benefits paid	(40.14)	(28.65)
Return on Plan Assets, Excluding Interest Income	(1.58)	(1.28)
Fair Value of Plan Assets at the End of the Period	**496.97**	**498.97**

Reconciliation of fair value of plan assets and defined benefit obligation:	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	(627.90)	(526.06)
Fair value of plan assets	496.97	498.97
Plan asset / (liability)	**(130.93)**	**(27.09)**

Expenses recognised in Statement of profit and loss	Year ended March 31, 2019	Year ended March 31, 2018
Net interest cost	2.13	6.29
Current service cost	61.09	56.67
Past service cost	-	12.00
Net expense *	**63.22**	**74.96**

* Includes INR 3.55 (March 31, 2018 - INR 1.93) transfer to Research & Development Expenditure

Expenses recognised in Statement of other comprehensive income	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial (gain) / loss on defined benefit obligation	39.54	(7.40)
Return on Plan Assets, excluding Interest Income	1.58	1.28
Total expense recognised in statement of other comprehensive income	**41.12**	**(6.12)**

Major categories of plan assets of the fair value of the total plan assets	As at March 31, 2019		As at March 31, 2018	
	Total	In %	Total	In %
Insurance fund	496.97	100%	498.97	100%
Total	**496.97**	**100%**	**498.97**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation (base)	627.90	526.06
Change in discount rate		
Increase by 1%	(52.56)	(45.42)
Decrease by 1%	61.48	53.15
Change in rate of salary increase		
Increase by 1%	61.74	53.29
Decrease by 1%	(53.54)	(46.19)
Change in rate of employee turnover		
Increase by 1%	14.09	12.97
Decrease by 1%	(16.11)	(14.77)

The following payments are expected contributions to the defined benefit plan in future years:	As at March 31, 2019	As at March 31, 2018
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	68.46	51.04
Between 1 and 5 years	145.50	126.54
Between 5 and 10 years	257.79	210.64
More than 10 years	1,107.12	974.10

(C) RISK EXPOSURE

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

19. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	6,228.54	5,664.94
Statutory dues	480.10	321.83
Total	**6,708.64**	**5,986.77**

20. REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products (including excise duty) *		
Finished goods	1,19,587.08	1,10,522.18
Traded goods	10,103.77	10,798.84
Less : Discount & Rebate	(11,419.81)	(11,267.04)
	1,18,271.04	**1,10,053.98**
Other operating revenue		
Revenue from Job Work	196.91	136.31
Sale of scrap	62.94	27.39
GST Refund - Budgetery Support Scheme **	663.65	421.74
Total revenue from operations	**1,19,194.54**	**1,10,639.42**

* Sale of goods includes excise duty collected from customers of INR NIL (March 31, 2018: INR 3,314.30). Sale of goods net of excise duty is INR 1,18,271.04 (March 31, 2018: INR 1,06,739.68). Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended March 31, 2019 is not comparable with the year ended March 31, 2018.

** As per the budgetary support scheme, eligible units (Samba and Udhampur in Jammu & Kashmir) are entitled to receive refund of the Goods and Services Tax paid by the unit.

21. OTHER INCOME

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
Fixed deposits with banks	5.67	8.40
Other assets	35.40	24.26
Dividend income from equity investments designated at fair value through other comprehensive income*	9.10	8.03
Other non-operating income		
Export Incentive	156.40	45.78
Miscellaneous income	24.20	25.04
Net gain on fair value changes		
Derivatives at FVTPL	-	212.60
Total other income	**230.77**	**324.11**

All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period.

22. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material		
Inventory at the beginning of the year	15,515.06	13,224.12
Add: Purchases	96,225.25	60,510.62
	1,11,740.31	73,734.74
Less: inventory at the end of the year	18,501.32	15,515.06
Cost of raw material consumed	**93,238.99**	**58,219.68**
Packing Material		
Inventory at the beginning of the year	1,329.89	1,357.47
Add: Purchases	9,724.49	6,893.10
	11,054.38	8,250.57
Less: inventory at the end of the year	1,376.58	1,329.89
Cost of Packing material consumed	**9,677.80**	**6,920.68**
Total Cost of raw material and components consumed	**1,02,916.79**	**65,140.36**

23. (INCREASE)/DECREASE IN INVENTORIES

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
Finished goods	41,237.59	17,582.85
Semi-finished goods	6,742.27	3,229.09
Traded goods	2,487.46	2,959.94
	50,467.32	**23,771.88**
Inventories at the beginning of the year		
Finished goods	17,582.85	20,156.69
Semi-finished goods	3,229.09	4,546.82
Traded goods	2,959.94	3,190.34
	23,771.88	**27,893.85**
Total (Increase)/Decrease in inventories	**(26,695.44)**	**4,121.97**

Details of inventory	Year ended March 31, 2019	Year ended March 31, 2018
Traded goods		
Powder	630.55	696.97
Liquid	1,071.97	1,902.00
Granules	784.94	360.97
Total	**2,487.46**	**2,959.94**
Finished goods		
Liquid	26,974.86	9,522.97
Powder	3,939.65	1,574.52
Granules	6,723.55	1,936.08
Technicals	3,599.53	4,549.28
Total	**41,237.59**	**17,582.85**

24. EMPLOYEE BENEFIT EXPENSES

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus		5,960.51	4,564.79
Contribution to provident and other funds	18	329.32	274.85
Gratuity expense	18	59.67	73.03
Staff welfare expenses		169.03	149.47
Total employee benefit expenses		**6,518.53**	**5,062.14**

25. FINANCE COSTS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	155.57	244.71
Interest on CC Limits, buyer's credit and demand loans	1,041.45	1,143.11
Interest (Others)	41.50	46.68
Other borrowings costs		
Bank charges	283.68	157.26
Total finance costs	**1,522.20**	**1,591.76**

26. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	3	1,900.42	1,639.98
Amortization of intangible assets	4	67.68	64.61
Total depreciation and amortization expense		**1,968.10**	**1,704.59**

27. OTHER EXPENSES

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares		621.05	497.86
Power and fuel Expenses		1,779.11	1,356.64
Transport charges		3,076.20	3,145.48
Repairs and Maintenance		-	-
Buildings		5.24	12.92
Plant & Machinery		25.67	54.08
Others		246.17	220.78
Pollution Control Expenses		35.27	105.43
Advertising and sales promotion		750.24	1,611.22
Royalty		214.60	226.83
Commission		607.97	554.12
Travelling and conveyance		1,380.81	1,124.14
Rent (Including Lease Rental)		274.98	346.63
Insurance		66.56	80.38
Communication expenses		37.01	41.54
Printing and Stationery		47.25	41.93
Legal and Professional Fees		428.93	244.27
Director Sitting Fees		5.00	7.41
Payment to Auditors	27(a)	33.87	31.01
Electricity & Water Charges		58.35	51.45
Rates and taxes		192.43	67.66
Security Charges		91.37	88.63
Research & Development Expenses	28	605.86	419.88
Loss on Sale of Fixed Assets (net)		49.55	23.06
Corporate Social Responsibility Expenses	27(b)	171.05	148.78
Provision for impairment of trade receivables		123.08	101.22
Net losses on fair value changes			
Derivatives at FVTPL		129.09	-
Exchange difference (net)		394.29	152.85
Bad debts written off		23.08	22.64
Miscellaneous Expenses		378.96	359.64
Total other expenses		**11,853.04**	**11,138.48**

27(A) DETAILS OF PAYMENT TO AUDITORS (EXCLUDING TAXES)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As auditor		
Statutory Audit Fees	30.00	26.00
Tax Audit Fees	-	4.00
In other capacity		
Reimbursement of expenses	3.87	1.01
Total	**33.87**	**31.01**

27(B) CORPORATE SOCIAL RESPONSIBILITY

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

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company	166.63	129.38
Total amount spent for the financial year	(171.05)	(148.78)
Amount unspent	**-**	**-**
Amount spent during the year on:		
(i) Construction/acquisition of an asset		
- in cash	-	-
- yet to be paid in cash	-	-
(ii) On purpose other than (i) above		
- in cash	171.05	148.78
- yet to be paid in cash	-	-
Total	**171.05**	**148.78**

The entire amount is spent through the IIL foundation, which is a related party.

28. RESEARCH & DEVELOPMENT EXPENDITURE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Revenue Expenditure :		
(a) Employee cost	187.41	128.45
(b) Cost of material & testing charges	0.84	8.63
(c) Other R&D expenditure	-	-
(d) Consultancy charges to OAT & IIL	276.54	262.36
(ii) Capital Expenditure	0.40	145.37
Total	**465.19**	**544.81**

29. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

(A) INCOME TAX EXPENSE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profits for the year	4,047.08	3,314.81
Adjustment of tax relating to earlier periods	(248.41)	245.49
Total current tax expense	**3,798.67**	**3,560.30**
Deferred tax		
Decrease (increase) in deferred tax assets	299.53	(144.77)
(Decrease) increase in deferred tax liabilities	(82.68)	(3.17)
MAT Credit entitlement of earlier periods	(955.55)	-
Total deferred tax expense/(benefit)	**(738.70)**	**(147.94)**
Income tax expense	**3,059.97**	**3,412.36**

(B) RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY THE INDIA'S TAX RATE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax expense	**15,300.64**	**11,809.72**
Tax at the Indian tax rate of 34.944%	5,346.66	4,087.11
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(33.10)	(99.19)
Deduction on account of tax holiday period	(1,194.13)	(833.72)
Other items	144.50	12.67
Adjustments for MAT Credit entitlement of earlier periods	(955.55)	-
Adjustments for current tax of earlier periods	(248.41)	245.49
Income tax expense	**3,059.97**	**3,412.36**

30. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2018

Particulars	FVTOCI -equity instruments	FVTOCI- defined benefit plans	Total
Re-measurement of net defined benefit plans	-	4.00	4.00
Gain/(loss) on FVTOCI financial assets	399.47	-	399.47
Total	**399.47**	**4.00**	**403.47**

During the year ended March 31, 2019

Particulars	FVTOCI -equity instruments	FVTOCI- defined benefit plans	Total
Re-measurement of net defined benefit plans	-	(26.74)	(26.74)
Gain/(loss) on FVTOCI financial assets	(339.86)	-	(339.86)
Total	**(339.86)**	**(26.74)**	**(366.60)**

31. SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its histroically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India. Further details about gratuity obligations are given in Note 18.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

32. HEDGING ACTIVITIES AND DERIVATIVES

Derivatives not designated as hedging instruments

The Company uses full currency cum interest rate swap and foreign exchange forward contracts and option contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are measured at fair value through profit or loss. These contracts are entered into for period consistent with the foreign currency exposures of the underlying transactions and with the intention to reduce the foreign exchange risk of expected purchases.

Nature of instrument	As at March 31, 2019		As at March 31, 2018	
	Amount outstanding USD (in Lacs)	Amount outstanding INR	Amount outstanding USD (in Lacs)	Amount outstanding INR
Hedged foreign currency exposures				
Interest Rate Swaps (refer note below)	-	-	0.02	1.33
Full Currency Interest Rate Swap contracts - payable (refer note below)	-	-	1.25	67.81
Forward contract - Buy				
In respect of foreign letters of credit	52.34	3,708.72	4.50	292.36
In respect of import bills accepted	-	-	1.42	91.07
In respect of buyer's credit	17.89	1,265.12	2.50	162.60
	70.23	**4,973.84**	**9.69**	**615.17**

Note:

Hedging against the underlying INR borrowings by which:

i) Company will receive Principal in INR and pay in foreign Currency

ii) Company will receive fixed interest in INR and pay fixed / floating interest in foreign Currency

Unhedged foreign currency exposures

a) Payables				
Buyer's credit (including interest)	15.21	1,051.61	23.29	1,518.04
Letters of credit	129.16	8,932.93	200.51	13,066.93
Trade payables	-	-	4.43	288.91
	144.37	**9,984.54**	**228.23**	**14,873.88**

33. FAIR VALUE MEASUREMENTS

(i) Financial instruments by category	Note No.	As at March 31, 2019			As at March 31, 2018		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Investments	6(a)						
- Equity instruments		-	388.01	-	-	831.09	-
Security deposits	6(b)	-	-	127.02	-	-	160.50
Deposits having maturity of more than twelve months	6(b)	-	-	29.82	-	-	28.10
b) Financial assets - Current							
Trade receivables	10(a)	-	-	24,424.89	-	-	23,481.20
Cash and cash equivalents	10(b)	-	-	894.17	-	-	1,956.32
Other bank balances	10(c)	-	-	29.83	-	-	54.67
Loans	10(d)	-	-	1,244.19	-	-	5.96
Derivative assets	10(e)	4.10			14.13	-	-
Dividend receivable	10(e)	-	-	7.71	-	-	6.80
Insurance claim recoverable	10(e)	-	-	-	-	-	0.39
Litigation charges recoverable	10(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	10(e)	-	-	97.33	-	-	4.98
Interest subsidy recoverable	10(e)	-	-	302.28	-	-	282.05
Total financial assets		**4.10**	**388.01**	**27,176.84**	**14.13**	**831.09**	**26,000.57**
c) Financial liabilities - Non-current							
Borrowings	14(a)	-	-	131.60	-	-	828.41
d) Financial liabilities - Current							
Borrowings	17(a)	-	-	29,517.24	-	-	9,676.25
Trade payables	17(b)	-	-	27,986.60	-	-	24,335.65
Current maturities of long-term borrowings	17(c)	-	-	871.60	-	-	931.04
Security deposits received from customers	17(c)	-	-	633.13	-	-	492.37
Creditors for capital expenditure	17(c)	-	-	134.57	-	-	115.67
Interest accrued on borrowings	17(c)	-	-	102.47	-	-	21.79
Employee payables	17(c)	-	-	1,146.09	-	-	882.05
Unpaid dividend account	17(c)	-	-	4.05	-	-	3.52
Derivative liabilities	17(c)	122.33	-	-	3.27	-	-
Total financial liabilities		**122.33**	**-**	**60,527.35**	**3.27**	**-**	**37,286.75**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	388.01	-	-	831.09	-	-
Financial assets at FVTPL						
-Derivative assets	-	4.10	-	-	14.13	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	122.33	-	-	3.27	-

* The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

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

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	March 31, 2019			March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits			127.02	-	-	160.50
Deposits having maturity of more than twelve months		29.82		-	28.10	-
Financial liabilities						
Long term borrowings (including current maturities)		967.88		-	1,739.79	-

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

c) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

d) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.

e) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

f) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

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

Particulars	Note No.	March 31, 2019		March 31, 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	6(b)	127.02	127.02	160.50	160.50
-Deposits having maturity of more than twelve months*	6(b)	29.82	29.82	28.10	28.10
Financial liabilities					
- Long term borrowings (including current maturities)	14(a)	1,003.20	967.88	1,759.45	1,739.79

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

34. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents and loans that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk that are summarised as under:-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	a) Cash flow forecasting b) Sensitivity analysis	a) Forward exchange contracts b) Foreign currency options c) Currency swaps
Market risk - interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company has formulated the Risk Management Policy whose objective is to ensure sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risk. In order to achieve this key objective, this policy provides a prepared and well-organized approach to manage the various types of risk associated with day to day business of the Company and minimize adverse impact on its business objectives as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Credit risk management

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. Individual risk limits are set accordingly. New customers are analysed individually for creditworthiness before the Company's standard payment and delivery terms are offered. Sale limits are established for each customers and reviewed periodically.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

a) Actual or expected significant adverse changes in business, financial or economic conditions that are actual

b) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the company.

The maximum exposure to credit risk arising from trade receivables is provided in note 10(a)

b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's management in accordance with the policy of the Company. Counterparty credit limits are reviewed by the Company's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in Note 6 and 10 except for derivative financial instruments.

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees and Inter Corporate deposits	Security deposits	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit loss	12-month expected credit loss	Lifetime expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			

Year ended March 31, 2018

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and Inter Corporate Deposits	1,244.19	0%	-	1,244.19
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	127.02	0%	-	127.02

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	10,546.96	8,909.24	4,454.75	379.15	408.80	252.73	24,951.63
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	10.56	17.82	22.27	18.96	204.40	252.73	526.74
Carrying amount of trade receivables (net of impairment)	**10,536.40**	**8,891.42**	**4,432.48**	**360.19**	**204.40**	**-**	**24,424.89**

Year ended March 31, 2018

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and Inter Corporate Deposits	5.96	0%	-	5.96
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	160.50	0%	-	160.50

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	13,616.98	6,473.00	2,950.03	333.40	331.54	179.92	23,884.87
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	13.62	12.95	14.75	16.67	165.77	179.92	403.67
Carrying amount of trade receivables (net of impairment)	**13,603.36**	**6,460.05**	**2,935.28**	**316.73**	**165.77**	**-**	**23,481.20**

Reconciliation of loss allowance provision - trade receivables

Particulars	Amount
Loss allowance on March 31, 2018	**403.67**
Changes in loss allowance	123.07
Loss allowance on March 31, 2019	**526.74**

B) Liquidity risk

"Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

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

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities subject to the reconcilation at the end of the reporting period :

Particulars	As at March 31, 2019	As at March 31, 2018
Floating rate		
Short term borrowings	17,589.26	36,491.59

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments;

Contractual maturities of financial liabilities:-

As at March 31, 2019	Note No.	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	14(a)	871.60	131.60	-	**1,003.20**
Short term borrowings	17(a)	29,517.24	-	-	**29,517.24**
Trade payables	17(b)	27,986.60	-	-	**27,986.60**
Security deposits received from customers	17(c)	633.13	-	-	**633.13**
Creditors for capital expenditure	17(c)	134.57	-	-	**134.57**
Interest accrued but not due on borrowings	17(c)	102.47	-	-	**102.47**
Employee payables	17(c)	1,146.09	-	-	**1,146.09**
Unpaid dividend account	17(c)	4.05	-	-	**4.05**
Derivative liabilities	17(c)	122.33	-	-	**122.33**
Total		**60,518.08**	**131.60**	**-**	**60,649.68**

As at March 31, 2018	Note No.	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	14(a)	931.04	828.41	-	**1,759.45**
Short term borrowings	17(a)	9,676.25	-	-	**9,676.25**
Trade payables	17(b)	24,335.65	-	-	**24,335.65**
Security deposits received from customers	17(c)	492.37	-	-	**492.37**
Creditors for capital expenditure	17(c)	115.67	-	-	**115.67**
Interest accrued but not due on borrowings	17(c)	21.79	-	-	**21.79**
Employee payables	17(c)	882.05	-	-	**882.05**
Unpaid dividend account	17(c)	3.52	-	-	**3.52**
Derivative liabilities	17(c)	3.27	-	-	**3.27**
Total		**36,461.61**	**828.41**	**-**	**37,290.02**

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company hedges its exposure to fluctuations on the foreign currency loan by using foreign currency swaps and forwards.

At March 31, 2019 and March 31, 2018 the Company's hedge position is stated in Note 32. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Impact on profit before tax	
	Year ended March 31, 2019	**Year ended March 31, 2018**
USD sensitivity		
INR/USD - increase by 1% (March 31, 2018: 1%)	(99.85)	(148.74)
INR/USD - decrease by 1% (March 31, 2018: 1%)	99.85	148.74
	Impact on other comprehensive income	
JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (company listed on Tokyo Stock exchange)]	**Year ended March 31, 2019**	**Year ended March 31, 2018**
INR/JPY - increase by 5% (March 31, 2018: 5%)	19.40	41.55
INR/JPY - decrease by 5% (March 31, 2018: 5%)	(19.40)	(41.55)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. At March 31, 2019, 99.92% (March 31, 2018, 99.86%) of the Company's total borrowings are at a fixed rate of interest. As on March 31, 2019, the Company's borrowings were mainly denominated in INR and USD. In case of ECBs, the Company raises them at floating rates and swaps them into fixed rates that are lower than those available if the Company borrowed at fixed rates directly. Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings		
Short term borrowings	29,517.24	9,676.25
Long term borrowings (including current maturities)	25.84	97.75
Fixed rate borrowings - Long term (including current maturities)	977.36	1,661.70
Total borrowings	**30,520.44**	**11,435.70**

As at the end of the reporting period, the Company had the following long term variable rate borrowings (including current maturities) and interest rate swap contracts outstanding:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	8.50% - 10.00%	25.84	0.08%	Libor + 3%, 8.50% - 11.00%	97.75	0.85%
Cross currency interest rate swaps (notional principal amount)	-	-		11.75%	(81.46)	0.71%
Net exposure to cash flow interest rate risk		**25.84**	**0.08%**		**16.29**	**0.14%**

(b) Sensitivity

The Company's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is not significant hence the sensitivity is not disclosed.

(iii) Price risk

(a) Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) and classified in the balance sheet as fair value through OCI (note 30).

(b) Sensitivity

The Group's investment in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) is publicly traded in the Japanese stock exchange. With all other variables held constant, a 10% movement in the market value of the equity instrument will increase or decrease other comprehensive income by INR 38.80 (March 31, 2018: INR 83.11)

35. CAPITAL MANAGEMENT

(a) Risk management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. For the purpose of the Company's capital management, net debt includes interest bearing loans and borrowings, less cash and cash equivalents. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Total debt	14(a),17(a),17(c)	30,520.44	11,435.70
(Less): Cash and cash equivalents	10(b)	(894.17)	(1,956.32)
Net debt		**29,626.27**	**9,479.38**
Total capital	12,13	66,134.75	54,759.02
Capital and net debt		**95,761.02**	**64,238.40**
Gearing ratio		**31%**	**15%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 & March 31, 2018

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

(b) Dividends

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2019 of INR 2 (March 31, 2018 : INR 2) per fully paid share	413.35	413.35
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 2 per fully paid equity share (March 31, 2018: INR 2). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	413.35	413.35

The amount of dividend distribution tax on dividends that were proposed or declared before the financial statements were approved for issue, but are not recognised as a liability amounts to INR 84.97 (March 31, 2018: INR 84.97).

36. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing and distribution of Agro-chemicals comprising of technical and formulation, hence there is one operating segment.

Entity wide disclosures as applicable to the Company are mentioned below:-

a) Information about geographical areas:

Revenue from external customers	Year ended March 31, 2019	Year ended March 31, 2018
Within India	1,12,249.80	1,06,640.75
Outside India	6,021.24	3,413.23
Total revenue	**1,18,271.04**	**1,10,053.98**

The basis for attributing revenues from external customer is based on the country of domicile of the respective customers.

b) **Revenue from Major Customers:** There is no customer having revenue amounting to 10% or more of Company's total revenue.

37. RELATED PARTY TRANSACTIONS

(i) Names of related parties and related party relationship:-

a) Key Management Personnel (KMP)

1. Sh. Hari Chand Aggarwal - Chairman
2. Sh. Rajesh Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director
4. Sh. Sandeep Aggarwal - Chief Financial Officer
5. Sh. Sandeep Kumar - Company Secretary

b) Independent directors

1. Sh. Virjesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Sh. Deepak Gupta (appointed w.e.f. April 30, 2016 & resigned w.e.f. January 15, 2018)
5. Sh. Vinod Kumar Mittal

c) Relatives of KMPs

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

d) Enterprises over which the Company exercises joint control

1. OAT & IIL India Laboratories Private Limited

e) **Enterprises over which key management personnel and their relatives have control / significant influence:**

1. Paras Agro Industries
2. ISEC Organics Ltd.
3. Evergreen Mineral Industries
4. Valve & Phneumaticals
5. Vinod Metals Industries
6. Crystal Crop Protection Pvt. Ltd.
7. HPM Chemicals & Fertilizers Ltd.
8. Crop Care Federation of India
9. IIL foundation
10. Indogulf Cropsciences Limited

(ii) Transactions during the year with related parties:-

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Company exercises joint control		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Advertisement expense	**0.16**	**1.21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	0.16	1.21				-				
Consultancy expenses	**-**	**-**	**-**	**-**	**-**	**-**	**9.76**	**8.56**	**-**	**-**
Sonia Aggarwal							9.76	8.56		
Deputation fee income	**-**	**-**	**25.99**	**24.52**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			25.99	24.52						
Membership & Subscription expense	**8.26**	**7.63**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	8.26	7.63								
Purchase of Capital & Consumabable Goods	**85.99**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Valves & Pneumatics	0.29	-								
Vinod Metal Industries	85.70	-								
Sales of Finished Goods	**5,589.18**	**982.22**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	2,800.56	460.47								
HPM Chemical & Fertilizers Limited	427.19	209.49								
Indogulf Cropsciences Limited	2,361.43	312.26								
Purchases of Traded Goods	**420.70**	**2,762.39**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	-	2,137.15								
Evergreen Mineral Industries	-	26.88								
HPM Chemical & Fertilizers Limited	420.70	577.92								
Paras Agro Industries	-	18.91								
Valves & Pneumatics	-	1.53								
Purchases of Raw Material	**9,039.97**	**162.17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	2,721.02	-								
HPM Chemical & Fertilizers Limited	913.37	-								
Indogulf Cropsciences Limited	5,405.58	82.39								
Vinod Metal Industries	-	79.78								
Other Expenses	**17.70**	**8.26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	17.70	8.26								
R & D Expenses	**-**	**-**	**329.20**	**306.65**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			329.20	306.65						
Rent paid	**69.41**	**67.32**	**-**	**-**	**-**	**-**	**2.56**	**2.40**	**-**	**-**
ISEC Organics Ltd	69.41	67.32		-		-	-	-		
Smt. Pushpa Aggarwal	-	-		-		-	2.56	2.40		
Rental Income	**-**	**-**	**-**	**4.67**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			-	4.67						

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Company exercises joint control		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration paid	**-**	**-**	**-**	**-**	**1,042.04**	**309.35**	**44.83**	**29.27**	**-**	**-**
Sh. Hari Chand Aggarwal					478.98	124.01				
Sh. Rajesh Aggarwal					478.80	103.30				
Smt. Nikunj Aggarwal					44.23	41.28				
Sh. Sandeep Aggarwal					31.40	33.28				
Sh. Sandeep Kumar					8.63	7.48				
Smt. Anju Aggarwal							12.65	11.11		
Smt. Kritika Aggarwal							12.60	-		
Sh. Sanjeev Aggarwal							19.58	18.16		
Contribution to CSR	**171.05**	**148.78**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	171.05	148.78								
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.00**	**7.00**
Sh. Vinod Kumar Mittal									1.25	1.50
Sh. Deepak Gupta									-	0.25
Sh. Jayaraman Swaminathan									1.50	2.50
Sh. Navin Shah									1.00	1.25
Sh. Virjesh Kumar Gupta									1.25	1.50

(iii) Balance outstanding with related parties

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Company exercises joint control		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Remuneration payable	**-**	**-**	**-**	**-**	**162.55**	**13.95**	**2.85**	**1.90**
Sh. Hari Chand Aggarwal					76.81	5.16	-	-
Sh. Rajesh Aggarwal					80.91	4.39	-	-
Smt. Nikunj Aggarwal					2.24	1.99	-	-
Sh. Sanjeev Aggarwal					-	-	1.20	1.05
Smt. Kritika Aggarwal					-	-	0.79	-
Smt. Anju Aggarwal					-	-	0.86	0.85
Sh. Sandeep Aggarwal					1.77	1.71	-	-
Sh. Sandeep Kumar					0.82	0.70	-	-
Payables	**3,218.97**	**1,372.77**	**-**	**17.43**	**-**	**-**	**0.75**	**0.66**
Vinod Metal Industries	30.70	35.32	-	-			-	-
Valves & Pneumatics	0.29	-	-	-			-	-
Crystal Crop Protection Pvt Ltd	-	1,247.66	-	-			-	-
Indogulf Cropsciences Ltd	2,156.09	-						
HPM Chemical & Fertilizers Limited	1,031.73	82.17	-	-			-	-

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Company exercises joint control		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
ISEC Organics Ltd	-	0.06	-	-			-	-
Crop Care Federation of India	0.16	7.56	-	-			-	-
OAT & IIL India Laboratories Private Limited	-	-	-	17.43			-	-
Smt. Sonia Aggarwal	-	-	-	-			0.75	0.66
Receivables	**1,215.17**	**118.36**	-	-	-	-	-	-
HPM Chemical & Fertilizers Limited	143.31	-						
Crystal Crop Protection Ltd	699.97	-						
Indogulf Cropsciences Ltd	371.89	118.36						
Advances given	**966.60**	**0.31**	**1.98**	-	-	-	-	-
Evergreen Mineral Industries	-	0.31	-	-				
Crystal Crop Protection Ltd	355.67	-	-	-				
Isec Organics Ltd.	610.93	-	-	-				
OAT & IIL India Laboratories Private Limited	-	-	1.98	-				

(iv) Key management personnel compensation

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	1,026.47	278.73
Post-employment benefits	15.57	30.62
Long-term employee benefits	-	-
Total	**1,042.04**	**309.35**

(v) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

38. CONTINGENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
a) Bank Guarantee	186.93	326.93
b) Excise Matter with Appellate Authority	1,142.17	352.10
c) Sales Tax / GST Matters	401.49	397.57
d) Revenue Department	89.60	89.60
Total	**1,820.19**	**1,166.20**

With respect to contingent liabilities reported at (b), (c) & (d) above, the management has taken an opinion from the legal advisors / professionals engaged by them and expects that the appeals will be decided in the favor. Therefore, the probability of outflow of resources is remote.

39. COMMITMENTS

a) Commitments with respect to:

Particulars	As at March 31, 2019	As at March 31, 2018
Letter of Credits (FLC & ILC)	5,154.09	3,915.66
	5,154.09	**3,915.66**

b) Capital commitments - Estimated amount of Contracts remaining to be executed on capital accounts (net of advances) and not provided for INR 242.74 (March 31, 2018- INR 201.30).

c) Lease commitments

Aggregate lease payments made under cancellable operating leases during the year is INR 274.98 (March 31, 2018: INR 346.63). There were no non-cancellable operating leases.

40. EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	12,240.67	8,397.36
Weighted average number of shares (Face value Rs 10/- each)	2,06,67,796	2,06,67,796
(a) Basic earnings per share (INR)	59.23	40.63
(b) Diluted earnings per share (INR)*	59.23	40.63

*There are no dilutive potential equity shares.

41. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Current			
Financial assets			
First charge			
Trade receivables	10(a)	24,424.89	23,481.20
Loans	10(d)	1,244.19	5.96
Other financial assets	10(e)	431.02	327.95
		26,100.10	**23,815.11**
Non-financial assets			
Inventories	9	70,510.65	40,728.95
Other current assets	11	897.34	569.26
Total current assets pledged as security		**97,508.09**	**65,113.32**
Non-Current			
Financial assets			
First charge			
Security deposits	6(b)	127.02	160.50
Non-financial assets			
Property, plant and equipment	3	23,715.03	22,837.65
Capital work-in-progress	3	1,271.42	1,268.32
Other non-current assets	7	1,300.99	636.23
Total non-currents assets pledged as security		**26,414.46**	**24,902.70**
Total assets pledged as security		**1,23,922.55**	**90,016.02**

42. The Balances shown under the head Trade Receivables and Trade Payables are subject to confirmation and reconciliations. However, the Company has initiated the process of obtaining confirmations from trade receivables and payables.

43. Information as required to be funished as per section 22 of the Micro, small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company :

	Particulars	As at March 31, 2019	As at March 31, 2018
i	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	560.62	825.86
	Interest	6.12	-
ii	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payments made to the supplier beyond the appointed day during each accounting Year.	-	-
iii	The amount of interest due and payables for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	1.70	-
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.	4.42	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible enterprise under section 23 of the MSMED Act,2006.	6.12	-

44. Contract assets and contract liabilities

The following table provides information about receivables,contract assets and contract liabilities from contracts with the customers:

Particulars	As at March 31, 2019		As at March 31, 2018 Restated	
	Current	Non-current	Current	Non-current
Trade Receivables	24,424.89		23,481.20	
Total trade receivables	**24,424.89**	**-**	**23,481.20**	**-**
Contract assets				
Loss allowance				
Total contract assets	**-**	**-**	**-**	**-**
Contract liabilities	6,228.54	-	5,664.94	-
Total contract liabilities	**6,228.54**	**-**	**5,664.94**	**-**

45. Hon'ble Supreme Court has pronounced a judgement in February, 2019 as a clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Supreme Court seeking additional clarifications and there has been no clarity yet, either from Govt. or from other concerned authorities. In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

46. Information on details of loans under section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014

Particulars	Outstanding as at 31st March 2019	Maximum Amount Outstanding during 2018-19	Outstanding as at 31st March 2018	Maximum Amount Outstanding during 2017-18
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	409.00	409.00	-	-
- Mentor Financial Services Pvt. Ltd (for Business purpose)	818.58	818.58	-	-

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

Auditor's Report

As per our separate report of even date annexed herewith

For Devesh Parekh & Co.
Chartered Accountants

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S Kothari Mehta & Company
Chartered Accountants

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Place : Delhi
Date : May 28, 2019

FOR AND ON BEHALF OF THE BOARD

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

INDEPENDENT AUDITOR’S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To the Members of Insecticides (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Insecticides (India) Limited** (herein referred to as “the Company”) and its Joint Venture- Oat & IIL India Laboratories Private Limited (collectively referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2019, the Consolidated profit, Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor’s Response
Accuracy of recognition, measurement, presentation and disclosures of revenue in view of adoption of Ind AS-115 “revenue from Contracts with Customers” in place of Ind AS-18 “Revenue”	<u>**Principal Audit Procedures**</u> • We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.
The Group recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Group considers the effects of variable consideration and consideration receivable from the customer. For the year ended March 31, 2019, the Group’s Statement of Profit & Loss included Sales of Rs. 1,19,194.54 Lakhs. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period. Refer Note No. 20 of the Consolidated Financial Statements.	• Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group. • We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. • We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • We validated the appropriateness and completeness of the related disclosures in Note No. 20 of the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the Consolidated Financial Statements and our auditor’s report thereon

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company’s Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and

Consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the joint venture included herein with the Company's share of profit in joint venture of Rs. 40.71 Lakhs for the year ended March 31, 2019. These financial statements have been audited by other auditor, whose reports have been furnished to us by the management. Our opinion in so far as it relates to the affairs of such Joint Venture, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the report of the other auditor.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its Joint Venture incorporated in India, none of the directors of the Group is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose impact of pending litigations on the Consolidated financial position of the Group. Refer note no. 39 to the Consolidated Financial Statements.

ii. The Group have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (‘IEPF’) by the Group.

For **Devesh Parekh & Co.**	For **S S Kothari Mehta & Company**
Chartered Accountants	Chartered Accountants
Firm’s Registration Number: 013338N	Firm’s Registration Number: 000756N
Devesh Parekh	**Harish Gupta**
Partner	Partner
Membership Number: 092160	Membership Number: 098336

Place: New Delhi
Date: May 28, 2019

Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Insecticides (India) Limited.

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Insecticides (India) Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of **Insecticides (India) Limited.**

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company have maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Reporting on the adequacy of the Internal Financial Controls over Financial reporting of the Joint Venture and the operating effectiveness of such controls, under Section 143(3)(i) of the Act is not applicable as per report of the auditors of such company.

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's Registration
Number: 013338N

Devesh Parekh
Partner
Membership Number: 092160

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration
Number: 000756N

Harish Gupta
Partner
Membership Number: 098336

Place: New Delhi
Date: May 28, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	23,715.03	22,837.65
(b) Capital work-in-progress	3	1,271.42	1,268.32
(c) Intangible assets	4	304.95	319.32
(d) Intangible assets under development	4	628.71	413.91
(e) Investment in joint venture	5	860.63	820.09
(f) Financial assets			
(i) Investments	6(a)	388.01	831.09
(ii) Other financial assets	6(b)	156.84	188.60
(g) Other non-current assets	7	1,531.34	1,087.27
(h) Non-current tax assets (net)	8	454.90	315.50
TOTAL NON-CURRENT ASSETS		**29,311.83**	**28,081.75**
2 CURRENT ASSETS			
(a) Inventories	9	70,510.65	40,728.95
(b) Financial Assets			
(i) Trade receivables	10(a)	24,424.89	23,481.20
(ii) Cash and cash equivalents	10(b)	894.17	1,956.32
(iii) Bank balances other than (ii) above	10(c)	29.83	54.67
(iv) Loans	10(d)	1,244.19	5.96
(v) Other financial assets	10(e)	431.02	327.95
(c) Other current assets	11	8,708.08	5,394.23
TOTAL CURRENT ASSETS		**106,242.83**	**71,949.28**
TOTAL ASSETS		**135,554.66**	**100,031.03**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	2,066.78	2,066.78
(b) Other Equity	13	64,133.60	52,717.33
TOTAL EQUITY		**66,200.38**	**54,784.11**
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14(a)	131.60	828.41
(b) Provisions	15	74.93	56.50
(c) Deferred tax liabilities (net)	16	1,786.87	1,884.36
TOTAL NON-CURRENT LIABILITIES		**1,993.40**	**2,769.27**
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17(a)	29,517.24	9,676.25
(ii) Trade Payables	17(b)		
(A) total outstanding due of micro enterprises and small enterprises; and		566.74	825.86
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		27,419.86	23,509.79
(iii) Other financial liabilities	17(c)	3,014.24	2,449.71
(b) Provisions	18	134.16	29.27
(c) Other current liabilities	19	6,708.64	5,986.77
TOTAL CURRENT LIABILITIES		**67,360.88**	**42,477.65**
TOTAL EQUITY AND LIABILITIES		**135,554.66**	**100,031.03**

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

Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S Kothari Mehta & Company
Chartered Accountants

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

Place : Delhi
Date : May 28, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations	20	119,194.54	110,639.42
Other Income	21	230.77	324.11
TOTAL INCOME		**119,425.31**	**110,963.53**
EXPENSES			
Cost of raw material and components consumed	22	102,916.79	65,140.36
Purchase of Traded Goods		6,041.45	7,080.21
Changes in inventories of finished goods, work-in-progress and traded goods	23	(26,695.44)	4,121.97
Excise Duty		-	3,314.30
Employee benefits expense	24	6,518.53	5,062.14
Finance Costs	25	1,522.20	1,591.76
Depreciation and amortization expense	26	1,968.10	1,704.59
Other expenses	27	11,853.04	11,138.48
TOTAL EXPENSES		**104,124.67**	**99,153.81**
Profit before tax and share of net profits of investments accounted for using equity method		**15,300.64**	**11,809.72**
Share of net profit of joint venture accounted for using the equity method	36	40.71	31.77
PROFIT BEFORE TAX		**15,341.35**	**11,841.49**
Tax Expenses	29		
- Current Tax		3,798.67	3,560.30
- Deferred Tax		(738.70)	(147.94)
TOTAL TAX EXPENSES		**3,059.97**	**3,412.36**
PROFIT FOR THE PERIOD		**12,281.38**	**8,429.13**
Other comprehensive income	30		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		(443.08)	520.79
Remeasurement of net defined benefit plans		(41.11)	6.11
Share of other comprehensive income of joint venture accounted for using the equity method		(0.23)	0.25
Income tax relating to these items		117.65	(123.50)
Other comprehensive income for the period (net of tax)		**(366.77)**	**403.65**
Total comprehensive income for the period (net of tax)		**11,914.61**	**8,832.78**
Earnings per equity share	41		
Basic earnings per share (INR)		59.42	40.78
Diluted earnings per share (INR)		59.42	40.78

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

Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

For S S Kothari Mehta & Company
Chartered Accountants

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Place : Delhi
Date : May 28, 2019

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in INR in 'Lacs', unless mentioned otherwise)

(A) EQUITY SHARE CAPITAL (REFER NOTE 12)

Particulars	Amount
As at April 1, 2017	**2,066.78**
Changes in equity share capital	-
As at March 31, 2018	**2,066.78**
Changes in equity share capital	-
As at March 31, 2019	**2,066.78**

(B) OTHER EQUITY (REFER NOTE 13)

Particulars	Reserves and surplus			Equity instruments through Other Comprehensive Income	Other items of Other Comprehensive Income/ (loss)	Total Other Equity
	Securities premium	General reserve	Retained earnings			
Balance at April 1, 2017	**10,410.18**	**3,201.52**	**30,786.67**	**(2.50)**	**(13.81)**	**44,382.06**
Profit for the year			8,429.13			8,429.13
Other comprehensive income (Net of taxes)				399.47	4.18	403.65
Total comprehensive income for the period			**8,429.13**	**399.47**	**4.18**	**8,832.78**
Dividend paid during the year			(413.35)			(413.35)
Tax on Dividend paid			(84.16)			(84.16)
Balance at March 31, 2018	**10,410.18**	**3,201.52**	**38,718.29**	**396.97**	**(9.63)**	**52,717.33**
Profit for the year			12,281.38			12,281.38
Other comprehensive income (Net of taxes)				(339.86)	(26.91)	(366.77)
Total comprehensive income for the period			**12,281.38**	**(339.86)**	**(26.91)**	**11,914.61**
Dividend paid during the year			(413.35)			(413.35)
Tax on Dividend paid			(84.99)			(84.99)
Balance at March 31, 2019	**10,410.18**	**3,201.52**	**50,501.33**	**57.11**	**(36.54)**	**64,133.60**

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

Summary of Significant Accounting Policies 1 to 2

Notes to Financial Statements 3 to 46

Auditor's Report

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

For S S Kothari Mehta & Company
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Hari Chand Aggarwal
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Devesh Parekh
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Firm Registration No. - 000756N

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Place : Delhi
Date : May 28, 2019

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**15,300.64**	**11,809.72**
Adjustment on account of		
- Depreciation	1,968.10	1,704.59
- (Profit)/ Loss on Sale of Assets	49.55	23.06
- Miscellaneous Expenses	6.34	6.34
- Interest Income	(41.07)	(32.66)
- Dividend Income	(9.10)	(8.03)
- Interest Expenses	1,522.20	1,591.76
- Bad debts written off	23.08	22.64
- Provision for impairment of trade receivables	123.08	101.22
- Derivative (gain) / loss	129.08	(212.60)
- Unrealised exchange differences	(5.52)	(25.01)
Operating Profit Before Working Capital Changes	**19,066.38**	**14,981.03**
Adjustments for		
- (Increase)/Decrease in security deposits	33.48	(3.40)
- (Increase)/Decrease in inventories	(29,781.70)	1,848.71
- (Increase)/Decrease in trade receivables	(1,089.85)	(2,443.60)
- (Increase)/Decrease in loans	(10.65)	(5.30)
- (Increase)/Decrease in other financial assets	(112.19)	96.23
- (Increase)/Decrease in other current assets	(3,099.49)	1,005.22
- (Increase)/Decrease in provisions	82.21	(44.34)
- Increase/(Decrease) in trade payables	3,650.95	4,467.24
- Increase/(Decrease) in other financial liabilities	404.80	45.86
- Increase/(Decrease) in other current liabilities	721.87	831.38
Cash generated from operations	**(10,134.19)**	**20,779.03**
Less: Income tax paid	(3,179.27)	(2,624.78)
Net Cash Flow from Operating Activities (A)	**(13,313.46)**	**18,154.25**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
- Addition to property, plant and equipment and intangible assets	(3,790.50)	(2,817.76)
- Proceeds from sale of property plant and equipment	46.08	16.18
- Interest received	41.07	32.66
- Proceeds from / (investment in) bank deposits	23.64	180.02
- Loans given	(1,227.58)	-
- Dividends received	8.20	6.61
Net Cash Flow used in Investing Activities (B)	**(4,899.09)**	**(2,582.29)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
- Repayment of long term borrowings	(742.59)	(1,256.18)
- Proceeds/(Repayment) from/of short term borrowings	19,832.58	(10,947.94)
- Interest paid	(1,441.25)	(1,598.87)
- Dividend paid	(498.34)	(497.51)
Net Cash Flow (used in) / from Financing Activities (C)	**17,150.40**	**(14,300.50)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(1,062.15)**	**1,271.46**
Cash and Cash Equivalents at the beginning of the year	1,956.32	684.86
Cash and Cash Equivalents at the end of the year	**894.17**	**1,956.32**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
On current accounts	885.34	1,948.17
Cash on hand	8.83	8.15
Total cash and cash equivalents	**894.17**	**1,956.32**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2018	Cash flows	Unrealised exchange difference	As at March 31, 2019
Long term borrowings (including current maturities)	1,759.45	(742.59)	(13.66)	**1,003.20**
Short term borrowings	9,676.25	19,832.58	8.41	**29,517.24**
	11,435.70	**19,089.99**	**(5.25)**	**30,520.44**

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

Summary of Significant Accounting Policies	1 to 2
Notes to Financial Statements	3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S Kothari Mehta & Company
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Whole Time Director
DIN: 06569091

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

Place : Delhi
Date : May 28, 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2019

1. Corporate Information

Insecticides (India) Limited ("The Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act. The shares of the Company are listed in India on the Bombay Stock Exchange Limited and National Stock Exchange. The registered office of the Company is located at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi, 110033. The Company is engaged in the manufacturing activities of Agro Chemicals, Pesticides and Technical Products for agriculture purposes. The Company caters to both domestic and international markets.

OAT and IIL India Laboratories Private Limited was incorporated on March 6, 2013, as per joint venture agreement dated December 26, 2012 between OAT Agrio Co., Ltd., Japan and the Company (co-venturers), to undertake Scientific and Technical Research Experiment, Product Development, Bio-equivalency Studies and Developing New Chemical Entities (NCEs) for the co-venturers.

Insecticides (India) Limited together with OAT & IIL India Lab (P) Ltd. is hereinafter referred to as the "Group".

The Group's financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2019.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount

(a) Derivative financial instruments

(b) Plan assets of defined employee benefit plans

(c) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency and all values are rounded to the nearest lacs, except when otherwise indicated. Figures appearing as "0.00" represent amounts below INR 500.

2.2. Basis of consolidation

Joint venture

(a) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.

(b) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and other comprehensive income of the investee in the Consolidated Statement of Profit and Loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

(c) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

(d) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the Group.

(e) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Consolidated Statement of Profit and Loss.

(f) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Consolidated Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as an associate or as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Consolidated Statement of Profit and Loss.

(g) With respect to consolidation of OAT and IIL India Laboratories Private Limited, the Group has considered the ownership ratio of 20% as prescribed in the joint venture agreement for recognising its share of profits/losses.

2.3. Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle.

b) It is held primarily for the purpose of trading.

c) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

(b) Revenue recognition

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is stated inclusive of excise duty and excludes sales tax/ value added tax (VAT) / Goods and Service Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

Sales of goods

Revenue from the sale of goods is recognised once the performance obligation as per the contract is satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods.

Rendering of services

Income from services are recognized as and when the services are rendered.

In respect of Company's Joint Venture

Revenue from Research & Development services are recognized when services are rendered and related cost is incurred over a period of time.

Interest income

For all financial instruments measured either at amortised cost or fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Export Incentives

Export incentives are recognized in the Statement of Profit and 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.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Property, plant and equipment

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and capital work in progress recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and capital work in progress.

Items of property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on remaining items of property, plant & equipment has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Nature of Tangible Assets	Useful Life (years)
Plant &Equipments	10 – 15
Building	30
Laboratory Equipments	10
Office Equipments	5
Furniture, Fixtures &Equipments	10
Vehicles	8-10
Leasehold improvements	Over the period of lease or useful life whichever is lower

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Leasehold Land

Leasehold land is amortised on straight line basis over the period of lease. No depreciation is provided for leasehold land when the leases are renewable at the option of the Group for a further period of 99 years at the end of the lease period of 99 years, without / with marginal payment of further premium.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Intangible assets

The Group has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2016 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Company’s intangible assets is as follows:-

Intangible assets	Useful Life (years)	Amortisation method used
Computer Software	8	Amortised on straight-line basis
Websites	2	Amortised on straight-line basis
Patents, trademarks and designs	10	Amortised on straight-line basis

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Foreign currencies

Transactions and Balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the Statement of Profit and Loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets.

(g) Fair value measurement

The Group measures financial instruments, such as, derivatives and equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (note 33)

- Financial instruments (including those carried at amortised cost) (note 6, 10, 14 and 17)

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.3(e)). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(i) Inventories

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition including excise duty wherever applicable. Fixed production overheads are based on normal capacity of production facilities.

Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value. Cost of finished goods includes excise duty, as applicable.

Traded goods are valued at lower of cost and net realizable value.

Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(k) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(l) Retirement and other employee benefits

Provident Fund and Employee State Insurance is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is unfunded.

Re-measurement, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Debt instruments at amortised cost

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security deposits & other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade and other receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

c) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates the following provision matrix at the reporting date:

Not due	0-90 days	90-180 days	180-360 days	360-720days	More than 720 days
0.10%	0.20%	0.50%	5.00%	50.00%	100.00%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credits and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information refer note 14 and 17

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, currency swaps, options and forward contracts to hedge its interest rate and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(q) Dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Export Benefits

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation has been accounted by making suitable adjustments in raw material consumption.

(t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on “Management Approach” as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. The Group has identified the Managing Director as the CODM who assesses the financial performance and makes strategic decisions. Refer note 37 for segment information presented.

(v) Standards issued but not yet effective

"Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS-116 – Leases

The Standard replaces the existing Ind AS 17 "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Ind AS -12 Income taxes:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

The Group is evaluating the requirements of the amendments and its effect on the Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in INR in 'Lacs', unless mentioned otherwise)

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

PROPERTY, PLANT AND EQUIPMENT

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2018	Addition	Sale / Adjust-ment	Balance as at March 31, 2019	Balance as at April 01, 2018	Depreciation for the year		Balance as at March 31, 2019	As at March 31, 2019	As at March 31, 2018
						Depreciation	Disposal / adjustments			
Freehold land	84.54	3.97	-	88.51	-	-	-	-	88.51	84.54
Finance lease assets - Land	2,001.72	114.40	-	2,116.12	9.13	4.59	-	13.72	2,102.40	1,992.59
Buildings	7,333.11	210.58	-	7,543.69	420.16	256.94	-	677.10	6,866.59	6,912.95
Plant and machinery	13,563.86	2,052.87	10.38	15,606.35	1,986.49	1,238.88	2.41	3,222.96	12,383.39	11,577.37
Roads	1,330.39	-	-	1,330.39	307.43	153.72	-	461.15	869.24	1,022.96
Office equipments	87.42	34.69	-	122.11	34.15	17.75	-	51.90	70.21	53.27
Furniture & fixtures	185.34	30.92	-	216.26	41.98	19.65	-	61.63	154.63	143.36
Electrical fittings	296.75	58.77	-	355.52	85.39	43.73	-	129.12	226.40	211.36
Computers	112.41	90.35	0.18	202.58	63.04	21.72	0.07	84.69	117.89	49.37
Vehicles	1,009.65	276.88	146.30	1,140.23	219.77	143.44	58.75	304.46	835.77	789.88
Total	**26,005.19**	**2,873.43**	**156.86**	**28,721.76**	**3,167.54**	**1,900.42**	**61.23**	**5,006.73**	**23,715.03**	**22,837.65**

Capital Work In Progress

Cost	Amount
As at April 1, 2018	**1,268.32**
Additions	2,262.14
Capitalised during the year	(2,259.04)
As at March 31, 2019	**1,271.42**

a) **Capitalised borrowing costs -** Neither borrowing cost has been capitalised nor has been transferred to Capital Work in Progress on account of borrowing cost during the year ended March 31, 2019. The detail thereof is as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance Amount included under the captioned head CWIP at the opening of the year	-	2,412.91
Amount of interest transfer from CWIP and Capitalised in respective Assets	-	2,412.91
Amount of interest transfer for Capitalisation under the Captioned Head - CWIP	-	-
Balance Amount included under the captioned head CWIP at the year end	**-**	**-**

The weighted average rate for capitalisation of interest relating to general borrowings was NIL for the year ended March 31, 2019 and year ended March 31, 2018.

b) **Contractual obligations -** Refer to note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) **Capital work-in-progress -** Capital work in progress majorly comprises expenditure in the course of construction at Dahej Plant

d) **Assets charged against borrowings -** Refer note 42 for property, plant and equipment pledged as security against current and non-current borrowings

4. INTANGIBLE ASSETS

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as on April 01, 2018	Addition	Sale / Adjustment	Balance as on March 31, 2019	Balance as on April 01, 2018	Amortisation for the year: Amortisation	Amortisation for the year: Disposal / adjustment	Balance as on March 31, 2019	As on March 31, 2019	As on March 31, 2018
Software	133.46	18.63	-	152.09	44.67	25.61	-	70.28	81.81	88.79
Website	-	1.65	-	1.65	-	0.42	-	0.42	1.23	-
Patents, trademarks and designs	295.35	33.03	-	328.38	64.82	41.65	-	106.47	221.91	230.53
Total	**428.81**	**53.31**	**-**	**482.12**	**109.49**	**67.68**	**-**	**177.17**	**304.95**	**319.32**

Intangible assets under development

Cost	Amount
As at April 1, 2018	**413.91**
Additions	268.11
Capitalised during the year	(53.31)
As at March 31, 2019	**628.71**

Intangible assets under development mainly comprises mobile application, website under development and patents for which registration is awaited.

5. INVESTMENT IN JOINT VENTURE

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in unquoted equity shares - Fully paid-up*		
795,000 {(March 31, 2018: 795,000) Equity Shares of OAT & IIL India Lab.(P) Ltd. at INR 100 Each	860.63	820.09
Total	**860.63**	**820.09**

*refer note 36

6. FINANCIAL ASSETS - NON-CURRENT

6(A) INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Investments stated at Fair Value through OCI		
Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
36,400 {(March 31, 2018: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company) (April 1, 2016: 18,200 shares received during the year on split of total 18,200 original shares)	388.01	831.09
Total	**388.01**	**831.09**
Aggregate book value of quoted investments	388.01	831.09
Aggregate market value of quoted investments	388.01	831.09

6(B) OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at fair value through profit and loss		
Derivative assets	-	-
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposits having maturity of more than twelve months	29.82	28.10
Security deposits	127.02	160.50
Total	**156.84**	**188.60**

7. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Capital advances		
-to related parties	610.93	-
-to others	690.06	636.23
Advances other than Capital Advances		
Balances with government authorities	230.35	444.70
Prepaid expenses	-	6.34
Total	**1,531.34**	**1,087.27**

8. NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax	454.90	315.50
[Net of provision for tax INR 3,288.29 (March 31, 2018: INR 2,532.74)]		
Total	**454.90**	**315.50**

9. INVENTORIES

Particulars	As at March 31, 2019	As at March 31, 2018
At the lower of cost and net realisable value		
Raw Material {INR 2,444.18 (March 31, 2018: INR 283.69) in transit}	18,501.32	15,515.06
Packing material {INR 10.90 (March 31, 2018: INR 1.45) in transit}	1,376.58	1,329.89
Work-in-progress	6,742.27	3,229.09
Stock-in-trade (Traded Goods)	2,487.46	2,959.94
Finished goods (Manufactured) {(INR 2,183.27 (March 31, 2018: NIL) in transit}	41,237.59	17,582.85
Stores, Spares Parts & Fuel {INR 35.84 (March 31, 2018: INR 0.96) in transit}	165.43	112.12
Total	**70,510.65**	**40,728.95**

10. FINANCIAL ASSETS - CURRENT

10(A) TRADE RECEIVABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	24,951.63	23,884.87
Less: Impairment of Trade Receivables	(526.74)	(403.67)
Total	**24,424.89**	**23,481.20**
Current portion	24,424.89	23,481.20
Non-current portion	-	-
Breakup of Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	24,424.89	23,481.20
Credit Impaired	526.74	403.67
Subtotal	**24,951.63**	**23,884.87**
Impairment of Trade Receivables (refer note 34)	(526.74)	(403.67)
Total	**24,424.89**	**23,481.20**

- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 90 to 180 days.
- For explanations on the Group's credit risk management processes, refer note 34

10(B) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
On current accounts	885.34	1,948.17
Cash on hand	8.83	8.15
Total	**894.17**	**1,956.32**

10(C) OTHER BANK BALANCES

Particulars	As at March 31, 2019	As at March 31, 2018
In earmarked accounts		
Unpaid dividend	4.05	3.52
Deposits with remaining maturity between three and twelve months*	25.78	51.15
Total	**29.83**	**54.67**

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

10(D) LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to employees	16.61	5.96
Inter Corporate Deposits	1,227.58	-
Total	**1,244.19**	**5.96**
Loans due from directors or other officers of the Group at the end of the period	Nil	Nil

10(E) OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at fair value through profit and loss		
Derivative assets	4.10	14.13
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	7.71	6.80
Insurance claim recoverable	-	0.39
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	97.33	4.98
Interest subsidy recoverable	302.28	282.05
Total	**431.02**	**327.95**

11. OTHER CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 38)	357.65	0.31
-to others	522.55	551.33
Advances to employees	17.14	17.62
Balances with government authorities	7,683.19	4,678.72
Prepaid expenses	127.55	146.25
Total	**8,708.08**	**5,394.23**
Advance due from Directors or other officers at the end of the year/ period	Nil	Nil
Advance due by Firms or Private Companies in which any Director of the Group is a Director or member.	1.98	-

12. EQUITY SHARE CAPITAL

Authorised share capital	Number of shares	INR
As at April 1, 2018	2,50,00,000.00	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2019	**2,50,00,000.00**	**2,500.00**
Issued equity share capital	**Number of shares**	**INR**
Equity shares of INR 10 each issued, subscribed and fully paid.		
As at April 1, 2018	2,06,67,796.00	2,066.78
Increase/(decrease) during the year	-	-
At March 31, 2019	**2,06,67,796.00**	**2,066.78**

(a) Rights, preferences and restrictions attached to shares :

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

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

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% Held	Number of Shares	% Held
Rajesh Aggarwal	52,92,900	25.61	52,92,900	25.61
Pushpa Aggarwal	21,51,900	10.41	21,51,900	10.41
Rajesh Aggarwal (HUF)	19,53,000	9.45	19,53,000	9.45
Hari Chand Aggarwal (HUF)	14,94,000	7.23	14,94,000	7.23
Nikunj Aggarwal	11,25,000	5.44	11,25,000	5.44

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

The company has alloted 63,41,483 number of Equity Shares as Bonus Shares on April 25, 2015 in the ratio of 2:1 and the same got listed on May 8, 2015

13. OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings	50,501.33	38,718.29
Securities premium	10,410.18	10,410.18
General reserve	3,201.52	3,201.52
Equity instruments through Other Comprehensive Income	57.11	396.97
Other items of other Comprehensive Income/(loss)	(36.54)	(9.63)
Total Other Equity	**64,133.60**	**52,717.33**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Retained Earnings		
Opening balance	38,718.29	30,786.67
Profit for the year	12,281.38	8,429.13
Dividend paid during the year	(413.35)	(413.35)
Tax on Dividend paid	(84.99)	(84.16)
Closing balance	**50,501.33**	**38,718.29**
(ii) Securities premium		
Opening balance	10,410.18	10,410.18
Additions during the year	-	-
Closing balance	**10,410.18**	**10,410.18**

Particulars	As at March 31, 2019	As at March 31, 2018
(iii) General reserve		
Opening balance	3,201.52	3,201.52
Add: Appropriations	-	-
Closing balance	**3,201.52**	**3,201.52**
(iv) Equity instruments through Other Comprehensive Income		
Opening balance	396.97	(2.50)
Change in fair value of FVTOCI equity instruments	(339.86)	399.47
Closing balance	**57.11**	**396.97**
(v) Other items of other Comprehensive Income/(loss)		
Opening balance	(9.63)	(13.81)
Remeasurement of net defined benefit plans	(26.91)	4.18
Closing balance	**(36.54)**	**(9.63)**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 30		
Total other equity	**64,133.60**	**52,717.33**

Nature and purpose of reserves

a) **Securities premium -** Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Group may use this reserve for issuing fully paid-up bonus shares, buy-back of shares and for expenses in relation to issue of shares.

b) **General reserve -** General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares . No amount has been transferred to general reserve during the years ended March 31, 2019 & March 31, 2018.

c) **FVTOCI equity investments -** The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve within equity when the relevant equity securities are derecognised.

14. FINANCIAL LIABILITIES - NON CURRENT

14(a) Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Indian Rupee loan from banks		
Term loans	682.35	1,364.71
Vehicle loans	320.85	313.28
Foreign currency loan from banks	-	81.46
Unsecured		
Loans from other parties	-	-
Total	**1,003.20**	**1,759.45**
Less: Current maturities of long-term debt (included in note 17(c))	871.60	931.04
Non-current borrowings (as per balance sheet)	**131.60**	**828.41**

Nature of Security and terms of repayment for secured borrowing :

a) **Indian rupee term loan**

The Indian Rupees Term Loans outstanding amounts to INR 682.35 (March 31, 2018 - INR 1,364.71) have been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. This outstanding loan are repayable quarterly in 4 installments alongwith interest rates 10.95% per annum.

b) Foreign currency term loan

The Foreign Currency outstanding loan amounting to NIL(March 31, 2018 - INR 81.46) has been secured by the exclusive first charge over assets being financed including Land & Building and Plant & Machineries situated at CH-21, GIDC Industrial Estate, Dahej Plant (Gujrat). Further , the loan has been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. The interest is to be paid on quarterly basis at Libor plus 3.00%. Further, the Group has entered into the derivative contract for hedging of the currency swaps and interest rate swaps.

c) Vehicle loans

Term Loans from banks for vehicles have been secured by hypothecation of vehicles. Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 8.40% to 10% per annum.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 42

15. LONG TERM PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Employee benefit provisions		
Provision for leave encashment	74.93	56.50
Total	**74.93**	**56.50**

16. DEFERRED TAX LIABILITIES (NET)

Particulars	As at April 1, 2018	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2019
Property, plant and equipment and intangible assets	(1,905.92)	303.04	-	-	(2,208.96)
Derivatives	(4.94)	(3.51)	-	-	(1.43)
Borrowings	-	-	-	-	-
Investments	(120.57)	-	(103.22)	-	(17.35)
Total deferred tax liabilities	**(2,031.43)**	**299.53**	**(103.22)**	**-**	**(2,227.74)**
Set-off of deferred tax assets pursuant to set-off provisions					
MAT credit	-	(955.55)	-	744.43	211.12
Allowance for doubtful debts - trade receivables	141.06	(43.00)	-	-	184.06
Derivatives	1.24	(41.51)	-	-	42.75
Borrowings	4.77	1.83	-	-	2.94
Total deferred tax assets	**147.07**	**(1,038.23)**	**-**	**744.43**	**440.87**
Net deferred tax assets / (liabilities)	**(1,884.36)**	**(738.70)**	**(103.22)**	**744.43**	**(1,786.87)**

Particulars	As at April 1, 2017	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2018
Property, plant and equipment and intangible assets	(2,025.47)	(119.55)	-	-	(1,905.92)
Derivatives	(20.24)	(15.30)	-	-	(4.94)
Borrowings	(9.92)	(9.92)	-	-	-
Investments	0.75	-	121.32	-	(120.57)
Total deferred tax liabilities	**(2,054.88)**	**(144.77)**	**121.32**	**-**	**(2,031.43)**
Set-off of deferred tax assets pursuant to set-off provisions					
MAT credit	1,018.34	-	-	1,018.34	-
Allowance for doubtful debts - trade receivables	104.67	(36.39)	-	-	141.06
Derivatives	34.64	33.40	-	-	1.24
Borrowings	4.59	(0.18)	-	-	4.77
Total deferred tax assets	**1,162.24**	**(3.17)**	**-**	**1,018.34**	**147.07**
Net deferred tax assets / (liabilities)	**(892.64)**	**(147.94)**	**121.32**	**1,018.34**	**(1,884.36)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

17. FINANCIAL LIABILITIES - CURRENT

17(a) Borrowings

Particulars	Maturity date	Interest rate	As at March 31, 2019	As at March 31, 2018
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr 19-May 19	8.30% - 9.55%	13,400.00	5,600.00
FCNR Loans (USD)	Jul-19	7.95%	1,208.40	-
Cash credit from banks	On demand	7.90% - 10.95%	12,593.46	2,379.56
Buyers Credit Loans (USD)	Apr 19-Sep 19	3.75% - 4.05%	2,265.09	1,670.24
Cheques sent for collection	-	-	50.29	26.45
Total			**29,517.24**	**9,676.25**

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

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 42

17(b) Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables	24,766.88	22,944.79
Trade payables to related parties (refer note 38)	3,219.72	1,390.86
Total	**27,986.60**	**24,335.65**

Particulars	As at March 31, 2019	As at March 31, 2018
(A) total outstanding due of micro enterprises and small enterprises; and	566.74	825.86
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	27,419.86	23,509.79
Total	**27,986.60**	**24,335.65**

Trade payables are non-interest bearing and are settled on agreed terms.

Refer note 44 for disclosure pertaining to Micro, Small & Medium Enterprises Development Act, 2006

17(c) Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities at amortised cost		
Current maturities of long-term borrowings (note 14(a))	871.60	931.04
Security deposits received from customers	633.13	492.37
Creditors for capital expenditure	134.57	115.67
Interest accrued on borrowings	102.47	21.79
Employee payables		
- to related parties (refer note 38)	165.40	15.85
- to others	980.69	866.20
Unpaid dividend account	4.05	3.52
Financial liabilities at fair value through profit and loss		
Derivative liabilities	122.33	3.27
Total	**3,014.24**	**2,449.71**

18. SHORT TERM PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Employee benefit provisions		
Provision for gratuity	130.93	27.10
Provision for leave encashment	3.23	2.17
Total	**134.16**	**29.27**

(A) DEFINED CONTRIBUTION PLAN

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss: (note 24)	Year ended March 31, 2019	Year ended March 31, 2018
Employers' Contribution to Employee's Provident Fund (including admin charges)	293.10	239.21
Employers' Contribution to Employee's State Insurance	36.16	35.58
Total	**329.26**	**274.79**

(B) DEFINED BENEFIT PLAN

(i) Gratuity

The Group has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Group provides for the liability in its books of accounts based on the actuarial valuation by applying the Projected Unit Credit Method.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The principal assumptions used in determining gratuity benefit obligations for the Group's plan are shown below:	As at March 31, 2019	As at March 31, 2018
Rate of Discounting	7.79%	7.86%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	IALM (2006-08)	IALM (2006-08)

Changes in the present value of the defined benefit obligation are as follows:	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	526.06	458.93
Interest cost	41.35	34.51
Current service cost	61.09	56.67
Past service cost	-	12.00
Benefits paid	(40.14)	(28.65)
Actuarial (gain) / loss		
Due to change in financial assumptions	3.95	(17.13)
Due to change in experience	35.59	9.73
Closing defined benefit obligation	**627.90**	**526.06**

Changes in the Fair Value of Plan Assets are as follows:	As at March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets at the Beginning of the Period	498.97	375.38
Interest Income	39.22	28.22
Contributions by the Employer	0.50	125.30
Benefits paid	(40.14)	(28.65)
Return on Plan Assets, Excluding Interest Income	(1.58)	(1.28)
Fair Value of Plan Assets at the End of the Period	**496.97**	**498.97**

Reconciliation of fair value of plan assets and defined benefit obligation:	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	(627.90)	(526.06)
Fair value of plan assets	496.97	498.97
Plan asset / (liability)	**(130.93)**	**(27.09)**

* Includes INR 3.55 (March 31, 2018 - INR 1.93) transfer to Research & Development Expenditure

Expenses recognised in Statement of profit and loss	Year ended March 31, 2019	Year ended March 31, 2018
Net interest cost	2.13	6.29
Current service cost	61.09	56.67
Past service cost	-	12.00
Net expense *	**63.22**	**74.96**

* Includes INR 3.55 (March 31, 2018 - INR 1.93) transfer to Research & Development Expenditure

Expenses recognised in Statement of other comprehensive income	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial (gain) / loss on defined benefit obligation	39.54	(7.40)
Return on Plan Assets, excluding Interest Income	1.58	1.28
Total expense recognised in statement of other comprehensive income	**41.12**	**(6.12)**

Major categories of plan assets of the fair value of the total plan assets	As at March 31, 2019		As at March 31, 2018	
	Total	In %	Total	In %
Insurance fund	496.97	100%	498.97	100%
Total	**496.97**	**100%**	**498.97**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation (base)	627.90	526.06
Change in discount rate		
Increase by 1%	(52.56)	(45.42)
Decrease by 1%	61.48	53.15
Change in rate of salary increase		
Increase by 1%	61.74	53.29
Decrease by 1%	(53.54)	(46.19)
Change in rate of employee turnover		
Increase by 1%	14.09	12.97
Decrease by 1%	(16.11)	(14.77)

The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31, 2019	As at March 31, 2018
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	68.46	51.04
Between 1 and 5 years	145.50	126.54
Between 5 and 10 years	257.79	210.64
More than 10 years	1,107.12	974.10

(C) RISK EXPOSURE

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Group and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

19. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	6,228.54	5,664.94
Statutory dues	480.10	321.83
Total	**6,708.64**	**5,986.77**

20. REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products (including excise duty) *		
Finished goods	119,587.08	110,522.18
Traded goods	10,103.77	10,798.84
Less : Discount & Rebate	(11,419.81)	(11,267.04)
	118,271.04	**110,053.98**
Other operating revenue		
Revenue from Job Work	196.91	136.31
Sale of scrap	62.94	27.39
GST Refund - Budgetery Support Scheme **	663.65	421.74
Total revenue from operations	**119,194.54**	**110,639.42**

* Sale of goods includes excise duty collected from customers of INR NIL (March 31, 2018: INR 3,314.30). Sale of goods net of excise duty is INR 1,18,271.04 (March 31, 2018: INR 1,06,739.68). Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended March 31, 2019 is not comparable with the year ended March 31, 2018.

** As per the budgetary support scheme, eligible units (Samba and Udhampur in Jammu & Kashmir) are entitled to receive refund of the Goods and Services Tax paid by the unit.

21. OTHER INCOME

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
Fixed deposits with banks	5.67	8.40
Other assets	35.40	24.26
Dividend income from equity investments designated at fair value through other comprehensive income*	9.10	8.03
Other non-operating income		
Export Incentive	156.40	45.78
Miscellaneous income	24.20	25.04
Net gain on fair value changes		
Derivatives at FVTPL	-	212.60
Total other income	**230.77**	**324.11**

All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period.

22. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material		
Inventory at the beginning of the year	15,515.06	13,224.12
Add: Purchases	96,225.25	60,510.62
	111,740.31	73,734.74
Less: inventory at the end of the year	18,501.32	15,515.06
Cost of raw material consumed	**93,238.99**	**58,219.68**
Packing Material		
Inventory at the beginning of the year	1,329.89	1,357.47
Add: Purchases	9,724.49	6,893.10
	11,054.38	8,250.57
Less: inventory at the end of the year	1,376.58	1,329.89
Cost of Packing material consumed	**9,677.80**	**6,920.68**
Total Cost of raw material and components consumed	**102,916.79**	**65,140.36**

23. (INCREASE)/DECREASE IN INVENTORIES

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
Finished goods	41,237.59	17,582.85
Semi-finished goods	6,742.27	3,229.09
Traded goods	2,487.46	2,959.94
	50,467.32	**23,771.88**
Inventories at the beginning of the year		
Finished goods	17,582.85	20,156.69
Semi-finished goods	3,229.09	4,546.82
Traded goods	2,959.94	3,190.34
	23,771.88	**27,893.85**
Total (Increase)/Decrease in inventories	**(26,695.44)**	**4,121.97**

Details of inventory	Year ended March 31, 2019	Year ended March 31, 2018
Traded goods		
Powder	630.55	696.97
Liquid	1,071.97	1,902.00
Granules	784.94	360.97
Total	**2,487.46**	**2,959.94**
Finished goods		
Liquid	26,974.86	9,522.97
Powder	3,939.65	1,574.52
Granules	6,723.55	1,936.08
Technicals	3,599.53	4,549.28
Total	**41,237.59**	**17,582.85**

24. EMPLOYEE BENEFIT EXPENSES

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus		5,960.51	4,564.79
Contribution to provident and other funds	18	329.32	274.85
Gratuity expense	18	59.67	73.03
Staff welfare expenses		169.03	149.47
Total employee benefit expenses		**6,518.53**	**5,062.14**

25. FINANCE COSTS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	155.57	244.71
Interest on CC Limits, buyer's credit and demand loans	1,041.45	1,143.11
Interest (Others)	41.50	46.68
Other borrowings costs		
Bank charges	283.68	157.26
Total finance costs	**1,522.20**	**1,591.76**

26. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	3	1,900.42	1,639.98
Amortization of intangible assets	4	67.68	64.61
Total depreciation and amortization expense		**1,968.10**	**1,704.59**

27. OTHER EXPENSES

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares		621.05	497.86
Power and fuel Expenses		1,779.11	1,356.64
Transport charges		3,076.20	3,145.48
Repairs and Maintenance		-	-
Buildings		5.24	12.92
Plant & Machinery		25.67	54.08
Others		246.17	220.78
Pollution Control Expenses		35.27	105.43
Advertising and sales promotion		750.24	1,611.22
Royalty		214.60	226.83
Commission		607.97	554.12
Travelling and conveyance		1,380.81	1,124.14
Rent (Including Lease Rental)		274.98	346.63
Insurance		66.56	80.38
Communication expenses		37.01	41.54
Printing and Stationery		47.25	41.93
Legal and Professional Fees		428.93	244.27
Director Sitting Fees		5.00	7.41
Payment to Auditors	27(a)	33.87	31.01
Electricity & Water Charges		58.35	51.45
Rates and taxes		192.43	67.66
Security Charges		91.37	88.63
Research & Development Expenses	28	605.86	419.88
Loss on Sale of Fixed Assets (net)		49.55	23.06
Corporate Social Responsibility Expenses	27(b)	171.05	148.78
Provision for impairment of trade receivables		123.08	101.22
Net losses on fair value changes			
Derivatives at FVTPL		129.09	-
Exchange difference (net)		394.29	152.85
Bad debts written off		23.08	22.64
Miscellaneous Expenses		378.96	359.64
Total other expenses		**11,853.04**	**11,138.48**

27(A) DETAILS OF PAYMENT TO AUDITORS (EXCLUDING TAXES)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As auditor		
Statutory Audit Fees	30.00	26.00
Tax Audit Fees	-	4.00
In other capacity		
Reimbursement of expenses	3.87	1.01
Total	**33.87**	**31.01**

27(B) CORPORATE SOCIAL RESPONSIBILITY

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

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Group	166.63	129.38
Total amount spent for the financial year	(171.05)	(148.78)
Amount unspent	**-**	**-**
Amount spent during the year on:		
(i) Construction/acquisition of an asset		
- in cash	-	-
- yet to be paid in cash	-	-
(ii) On purpose other than (i) above		
- in cash	171.05	148.78
- yet to be paid in cash	-	-
Total	**171.05**	**148.78**

The entire amount is spent through the IIL foundation, which is a related party.

28. RESEARCH & DEVELOPMENT EXPENDITURE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Revenue Expenditure :		
(a) Employee cost	187.41	128.45
(b) Cost of material & testing charges	0.84	8.63
(c) Other R&D expenditure	-	-
(d) Consultancy charges to OAT & IIL	276.54	262.36
(ii) Capital Expenditure	0.40	145.37
Total	**465.19**	**544.81**

29. INCOME TAX EXPENSE

This note provides an analysis of the Group's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

(A) INCOME TAX EXPENSE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profits for the year	4,047.08	3,314.81
Adjustment of tax relating to earlier periods	(248.41)	245.49
Total current tax expense	**3,798.67**	**3,560.30**
Deferred tax		
Decrease (increase) in deferred tax assets	299.53	(144.77)
(Decrease) increase in deferred tax liabilities	(82.68)	(3.17)
MAT Credit entitlement of earlier periods	(955.55)	-
Total deferred tax expense/(benefit)	**(738.70)**	**(147.94)**
Income tax expense	**3,059.97**	**3,412.36**

(B) RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY THE INDIA'S TAX RATE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax expense	**15,300.64**	**11,809.72**
Tax at the Indian tax rate of 34.944%	5,346.66	4,087.11
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(33.10)	(99.19)
Deduction on account of tax holiday period	(1,194.13)	(833.72)
Other items	144.50	12.67
Adjustments for MAT Credit entitlement of earlier periods	(955.55)	-
Adjustments for current tax of earlier periods	(248.41)	245.49
Income tax expense	**3,059.97**	**3,412.36**

30. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2018

Particulars	FVTOCI -equity instruments	FVTOCI- defined benefit plans	Total
Re-measurement of net defined benefit plans	-	4.00	4.00
Gain/(loss) on FVTOCI financial assets	399.47	-	399.47
Share of other comprehensive income of joint venture	-	0.18	0.18
Total	**399.47**	**4.18**	**403.65**

During the year ended March 31, 2019

Particulars	FVTOCI -equity instruments	FVTOCI- defined benefit plans	Total
Re-measurement of net defined benefit plans	-	(26.74)	(26.74)
Gain/(loss) on FVTOCI financial assets	(339.86)	-	(339.86)
Share of other comprehensive income of joint venture	-	(0.17)	(0.17)
Total	**(339.86)**	**(26.91)**	**(366.77)**

31. SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its histroically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India. Further details about gratuity obligations are given in Note 18.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Interest in joint venture

OAT & IIL India Laboratories Private Limited (OAT & IIL) is a private company in which the parent company currently owns 20% of the ownership interest. As per the joint venture agreement between the parent company and OAT Agrio Co. Ltd, control over the "relevant activities" of OAT & IIL is exercised jointly by both the companies. OAT & IIL is structured as a separate legal entity and both companies have an interest in the net assets of OAT & IIL. Accordingly, the parent company has classified its interest in OAT & IIL as a joint venture.

32. HEDGING ACTIVITIES AND DERIVATIVES

Derivatives not designated as hedging instruments

The Group uses full currency cum interest rate swap and foreign exchange forward contracts and option contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are measured at fair value through profit or loss. These contracts are entered into for period consistent with the foreign currency exposures of the underlying transactions and with the intention to reduce the foreign exchange risk of expected purchases.

Nature of instrument	As at March 31, 2019		As at March 31, 2018	
	Amount outstanding USD (in Lacs)	Amount outstanding INR	Amount outstanding USD (in Lacs)	Amount outstanding INR
Hedged foreign currency exposures				
Interest Rate Swaps (refer note below)	-	-	0.02	1.33
Full Currency Interest Rate Swap contracts - payable (refer note below)	-	-	1.25	67.81
Forward contract - Buy				
In respect of foreign letters of credit	52.34	3,708.72	4.50	292.36
In respect of import bills accepted	-	-	1.42	91.07
In respect of buyer's credit	17.89	1,265.12	2.50	162.60
	70.23	**4,973.84**	**9.69**	**615.17**

Note:

Hedging against the underlying INR borrowings by which:

i) Group will receive Principal in INR and pay in foreign Currency

ii) Group will receive fixed interest in INR and pay fixed / floating interest in foreign Currency

Unhedged foreign currency exposures

a) Payables				
Buyer's credit (including interest)	15.21	1,051.61	23.29	1,518.04
Letters of credit	129.16	8,932.93	200.51	13,066.93
Trade payables	-	-	4.43	288.91
	144.37	**9,984.54**	**228.23**	**14,873.88**

33. FAIR VALUE MEASUREMENTS

Particulars	Note No.	As at March 31, 2019			As at March 31, 2018		
(i) Financial instruments by category		**FVTPL**	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
a) Financial assets - Non-current							
Investments	6(a)						
- Equity instruments		-	388.01	-	-	831.09	-
Security deposits	6(b)	-	-	127.02	-	-	160.50
Deposits having maturity of more than twelve months	6(b)	-	-	29.82	-	-	28.10
b) Financial assets - Current							
Trade receivables	10(a)	-	-	24,424.89	-	-	23,481.20
Cash and cash equivalents	10(b)	-	-	894.17	-	-	1,956.32
Other bank balances	10(c)	-	-	29.83	-	-	54.67
Loans	10(d)	-	-	1,244.19	-	-	5.96
Derivative assets	10(e)	4.10			14.13	-	-
Dividend receivable	10(e)	-	-	7.71	-	-	6.80
Insurance claim recoverable	10(e)	-	-	-	-	-	0.39
Litigation charges recoverable	10(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	10(e)	-	-	97.33	-	-	4.98
Interest subsidy recoverable	10(e)	-	-	302.28	-	-	282.05
Total financial assets		**4.10**	**388.01**	**27,176.84**	**14.13**	**831.09**	**26,000.57**
c) Financial liabilities - Non-current							
Borrowings	14(a)	-	-	131.60	-	-	828.41
d) Financial liabilities - Current							
Borrowings	17(a)	-	-	29,517.24	-	-	9,676.25
Trade payables	17(b)	-	-	27,986.60	-	-	24,335.65
Current maturities of long-term borrowings	17(c)	-	-	871.60	-	-	931.04
Security deposits received from customers	17(c)	-	-	633.13	-	-	492.37
Creditors for capital expenditure	17(c)	-	-	134.57	-	-	115.67
Interest accrued on borrowings	17(c)	-	-	102.47	-	-	21.79
Employee payables	17(c)	-	-	1,146.09	-	-	882.05
Unpaid dividend account	17(c)	-	-	4.05	-	-	3.52
Derivative liabilities	17(c)	122.33	-	-	3.27	-	-
Total financial liabilities		**122.33**	**-**	**60,527.35**	**3.27**	**-**	**37,286.75**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	388.01	-	-	831.09	-	-
Financial assets at FVTPL						
-Derivative assets	-	4.10	-	-	14.13	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	122.33	-	-	3.27	-

*The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

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

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	March 31, 2019			March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits			127.02	-	-	160.50
Deposits having maturity of more than twelve months		29.82		-	28.10	-
Financial liabilities						
Long term borrowings (including current maturities)		967.88		-	1,739.79	-

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

c) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

d) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.

e) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.f) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

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

Particulars	Note No.	March 31, 2019		March 31, 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	6(b)	127.02	127.02	160.50	160.50
-Deposits having maturity of more than twelve months*	6(b)	29.82	29.82	28.10	28.10
Financial liabilities					
- Long term borrowings (including current maturities)	14(a)	1,003.20	967.88	1,759.45	1,739.79

*The management assessed that fair values of above financial instruments approximate their carrying value due to amortised cost being calculated based on the effective interest rates.

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

34. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents and loans that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk that are summarised as under:-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	a) Cash flow forecasting b) Sensitivity analysis	a) Forward exchange contracts b) Foreign currency options c) Currency swaps
Market risk - interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Group has formulated the Risk Management Policy whose objective is to ensure sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risk. In order to achieve this key objective, this policy provides a prepared and well-organized approach to manage the various types of risk associated with day to day business of the Group and minimize adverse impact on its business objectives as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Credit risk management

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. Individual risk limits are set accordingly. New customers are analysed individually for creditworthiness before the Group's standard payment and delivery terms are offered. Sale limits are established for each customers and reviewed periodically.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

a) Actual or expected significant adverse changes in business, financial or economic conditions that are actual

b) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group.

The maximum exposure to credit risk arising from trade receivables is provided in note 10(a)

b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's management in accordance with the policy of the Group. Counterparty credit limits are reviewed by the Group's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in Note 6 and 10 except for derivative financial instruments.

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees and Inter Corporate deposits	Security deposits	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit loss	12-month expected credit loss	Lifetime expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			

Year ended March 31, 2019

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and Inter Corporate Deposits	1,244.19	0%	-	1,244.19
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	127.02	0%	-	127.02

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	10,546.96	8,909.24	4,454.75	379.15	408.80	252.73	24,951.63
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	10.56	17.82	22.27	18.96	204.40	252.73	526.74
Carrying amount of trade receivables (net of impairment)	**10,536.40**	**8,891.42**	**4,432.48**	**360.19**	**204.40**	**-**	**24,424.89**

Year ended March 31, 2018

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and Inter Corporate Deposits	5.96	0%	-	5.96
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	160.50	0%	-	160.50

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	90-180 days past due	180-360 days past due	360-720 days past due	More than 720 days past due	Total
Gross carrying amount	13,616.98	6,473.00	2,950.03	333.40	331.54	179.92	23,884.87
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	13.62	12.95	14.75	16.67	165.77	179.92	403.67
Carrying amount of trade receivables (net of impairment)	**13,603.36**	**6,460.05**	**2,935.28**	**316.73**	**165.77**	**-**	**23,481.20**

Reconciliation of loss allowance provision - trade receivables

Loss allowance on March 31, 2018	**403.67**
Changes in loss allowance	123.07
Loss allowance on March 31, 2019	**526.74**

B) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The Group enjoys a good reputation for its sound financial management and ability to meet in financial commitments. CRISIL, a S&P Global Group, a reputed Rating Agency, has re-affirmed the credit rating of CRISIL A/Stable for the longterm and CRISIL A1 for the Short-term Bank facilities.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities subject to the reconcilation at the end of the reporting period :

Particulars	As at March 31, 2019	As at March 31, 2018
Floating rate		
Short term borrowings	**17,589.26**	36,491.59

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Contractual maturities of financial liabilities:-

As at March 31, 2019	Note No.	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	14(a)	871.60	131.60	-	**1,003.20**
Short term borrowings	17(a)	29,517.24	-	-	**29,517.24**
Trade payables	17(b)	27,986.60	-	-	**27,986.60**
Security deposits received from customers	17(c)	633.13	-	-	**633.13**
Creditors for capital expenditure	17(c)	134.57	-	-	**134.57**
Interest accrued but not due on borrowings	17(c)	102.47	-	-	**102.47**
Employee payables	17(c)	1,146.09	-	-	**1,146.09**
Unpaid dividend account	17(c)	4.05	-	-	**4.05**
Derivative liabilities	17(c)	122.33	-	-	**122.33**
Total		**60,518.08**	**131.60**	**-**	**60,649.68**

As at March 31, 2018	Note No.	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	14(a)	931.04	828.41	-	**1,759.45**
Short term borrowings	17(a)	9,676.25	-	-	**9,676.25**
Trade payables	17(b)	24,335.65	-	-	**24,335.65**
Security deposits received from customers	17(c)	492.37	-	-	**492.37**
Creditors for capital expenditure	17(c)	115.67	-	-	**115.67**
Interest accrued but not due on borrowings	17(c)	21.79	-	-	**21.79**
Employee payables	17(c)	882.05	-	-	**882.05**
Unpaid dividend account	17(c)	3.52	-	-	**3.52**
Derivative liabilities	17(c)	3.27	-	-	**3.27**
Total		**36,461.61**	**828.41**	**-**	**37,290.02**

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. The Group hedges its exposure to fluctuations on the foreign currency loan by using foreign currency swaps and forwards.

At March 31, 2019 and March 31, 2018 the Group's hedge position is stated in Note 32. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps."

Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Impact on profit before tax	
	Year ended March 31, 2019	Year ended March 31, 2018
USD sensitivity		
INR/USD - increase by 1% (March 31, 2018: 1%)	(99.85)	(148.74)
INR/USD - decrease by 1% (March 31, 2018: 1%)	99.85	148.74

	Impact on other comprehensive income	
	Year ended March 31, 2019	Year ended March 31, 2018
JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (company listed on Tokyo Stock exchange)]		
INR/JPY - increase by 5% (March 31, 2018: 5%)	19.40	41.55
INR/JPY - decrease by 5% (March 31, 2018: 5%)	(19.40)	(41.55)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. At March 31, 2019, 99.92% (March 31, 2018, 99.86%) of the Group's total borrowings are at a fixed rate of interest. As on March 31, 2019, the Group's borrowings were mainly denominated in INR and USD. In case of ECBs, the Group raises them at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.(a) Interest rate risk exposureThe exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

(a) Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings		
Short term borrowings	29,517.24	9,676.25
Long term borrowings (including current maturities)	25.84	97.75
Fixed rate borrowings - Long term (including current maturities)	977.36	1,661.70
Total borrowings	**30,520.44**	**11,435.70**

As at the end of the reporting period, the Group had the following long term variable rate borrowings (including current maturities) and interest rate swap contracts outstanding:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	8.50% - 10.00%	25.84	0.08%	Libor + 3%, 8.50% - 11.00%	97.75	0.85%
Cross currency interest rate swaps (notional principal amount)	-	-		11.75%	(81.46)	0.71%
Net exposure to cash flow interest rate risk		**25.84**	**0.08%**		**16.29**	**0.14%**

(b) Sensitivity

The Group's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is not significant hence the sensitivity is not disclosed.

(iii) Price risk

(a) Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) and classified in the balance sheet as fair value through OCI (note 30).

(b) Sensitivity

The Group's investment in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) is publicly traded in the Japanese stock exchange. With all other variables held constant, a 10% movement in the market value of the equity instrument will increase or decrease other comprehensive income by INR 38.80 (March 31, 2018: INR 83.11)

35 CAPITAL MANAGEMENT

(a) Risk management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. For the purpose of the Group's capital management, net debt includes interest bearing loans and borrowings, less cash and cash equivalents. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Total debt	14(a),17(a),17(c)	30,520.44	11,435.70
(Less): Cash and cash equivalents	10(b)	(894.17)	(1,956.32)
Net debt		**29,626.27**	**9,479.38**
Total capital	12,13	66,200.38	54,784.11
Capital and net debt		**95,826.65**	**64,263.49**
Gearing ratio		**31%**	**15%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 & March 31, 2018

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

(b) Dividends

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2019 of INR 2 (March 31, 2018 : INR 2) per fully paid share	413.35	413.35
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 2 per fully paid equity share (March 31, 2018: INR 2). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	413.35	413.35

The amount of dividend distribution tax on dividends that were proposed or declared before the financial statements were approved for issue, but are not recognised as a liability amounts to INR 84.97 (March 31, 2018: INR 84.97).

36. INTERESTS IN OTHER ENTITIES

a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2019. The entity listed below has share capital consisting solely of equity shares, which is held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Status	Accounting method	Carrying amount	
						As at March 31, 2019	As at March 31, 2018
OAT & IIL India Laboratories Private Limited	India	20%	Joint venture	Audited	Equity method	860.63	820.09

OAT & IIL India Laboratories Private Limited (OAT & IIL) is involved in the business of undertaking scientific and technical research experiments, product development, bio-equivalency studies and developing New Chemical Entities (NCEs). It is an unlisted entity so quoted prices are not available.\

b) Commitments, contingent liabilities and contingent assets in respect of joint venture

Particulars	As at March 31, 2019	As at March 31, 2018
Share of commitments in respect of unpaid preference dividend of joint venture	0.00	0.00

c) **Summarised financial information for joint venture**

The tables below provide summarised financial information for the Group's joint venture. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Group's share in those amounts.

Summarised balance sheet	**OAT & IIL India Laboratories Private Limited**	
	As at March 31, 2019	**As at March 31, 2018**
Current assets		
Cash and cash equivalents	1,018.91	1,183.34
Other assets	1,201.81	877.54
Total current assets	**2,220.72**	**2,060.88**
Total non-current assets	2,656.98	2,320.72
Total assets	**4,877.70**	**4,381.60**
Current liabilities		
Financial liabilities (excluding trade payables)	91.76	38.72
Other liabilities	375.87	167.06
Total current liabilities	**467.63**	**205.78**
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	106.91	75.37
Total non-current liabilities	**106.91**	**75.37**
Net assets	**4,303.16**	**4,100.45**

Reconciliation to carrying amounts	**As at March 31, 2019**	**As at March 31, 2018**
Opening net assets	4,100.45	3,940.73
Profit for the year	203.55	158.85
Other comprehensive income	(0.84)	0.88
Closing net assets	**4,303.16**	**4,100.46**
Group's share in %	20%	20%
Carrying amount	**860.63**	**820.09**

Summarised Statement of Profit and Loss	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Revenue from operations	1,397.56	1,278.68
Interest income	116.60	100.76
Other income	6.07	2.17
Total revenue	**1,520.23**	**1,381.61**
Expenses		
Cost of materials consumed	52.06	-
Employee benefit expenses	531.50	476.22
Finance costs	0.37	0.28
Depreciation & amortisation expenses	207.26	211.39
Other expenses	411.36	463.66
Total expenses	**1,202.55**	**1,151.55**
Profit before tax	**317.68**	**230.06**
Tax expense	114.13	71.21
Profit after tax	**203.55**	**158.85**
Other comprehensive income	(0.84)	0.88
Total comprehensive income	**202.71**	**159.73**

37. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacturing and distribution of Agro-chemicals comprising of technical and formulation, hence there is one operating segment.

Entity wide disclosures as applicable to the Group are mentioned below:-

a) Information about geographical areas:

Revenue from external customers	Year ended March 31, 2019	Year ended March 31, 2018
Within India	112,249.80	106,640.75
Outside India	6,021.24	3,413.23
Total revenue	**118,271.04**	**110,053.98**

The basis for attributing revenues from external customer is based on the country of domicile of the respective customers.

b) Revenue from Major Customers: There is no customer having revenue amounting to 10% or more of Group's total revenue.

38. RELATED PARTY TRANSACTIONS

(i) Names of related parties and related party relationship:-

a) Key Management Personnel (KMP)
1. Sh. Hari Chand Aggarwal - Chairman
2. Sh. Rajesh Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director
4. Sh. Sandeep Aggarwal - Chief Financial Officer
5. Sh. Sandeep Kumar - Group Secretary

b) Independent directors
1. Sh. Virjesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Sh. Deepak Gupta (appointed w.e.f. April 30, 2016 & resigned w.e.f. January 15, 2018)
5. Sh Vinod Kumar Mittal

c) Relatives of KMPs
1. Sh. Sanjeev Aggarwal
2. Smt. Sonia Aggarwal
3. Smt. Anju Aggarwal
4. Smt Pushpa Aggarwal
5. Smt. Kritika Aggarwal

d) Enterprises over which the Group exercises joint control
1. OAT & IIL India Laboratories Private Limited

e) Enterprises over which key management personnel and their relatives have control / significant influence:
1. Paras Agro Industries
2. ISEC Organics Ltd.
3. Evergreen Mineral Industries
4. Valve & Phneumaticals
5. Vinod Metals Industries
6. Crystal Crop Protection Pvt. Ltd.
7. HPM Chemicals & Fertilizers Ltd.
8. Crop Care Federation of India
9. IIL foundation
10. Indogulf Cropsciences Limited

(ii) Transactions during the year with related parties:-

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Group exercises joint control		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Advertisement expense	**0.16**	**1.21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	0.16	1.21				-				
Consultancy expenses	**-**	**-**	**-**	**-**	**-**	**-**	**9.76**	**8.56**	**-**	**-**
Sonia Aggarwal							9.76	8.56		
Deputation fee income	**-**	**-**	**25.99**	**24.52**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			25.99	24.52						

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Group exercises joint control		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Membership & Subscription expense	**8.26**	**7.63**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	8.26	7.63								
Purchase of Capital & Consumabable Goods	**85.99**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Valves & Pneumatics	0.29	-								
Vinod Metal Industries	85.70	-								
Sales of Finished Goods	**5,589.18**	**982.22**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	2,800.56	460.47								
HPM Chemical & Fertilizers Limited	427.19	209.49								
Indogulf Cropsciences Limited	2,361.43	312.26								
Purchases of Traded Goods	**420.70**	**2,762.39**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	-	2,137.15								
Evergreen Mineral Industries	-	26.88								
HPM Chemical & Fertilizers Limited	420.70	577.92								
Paras Agro Industries	-	18.91								
Valves & Pneumatics	-	1.53								
Purchases of Raw Material	**9,039.97**	**162.17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	2,721.02	-								
HPM Chemical & Fertilizers Limited	913.37	-								
Indogulf Cropsciences Limited	5,405.58	82.39								
Vinod Metal Industries	-	79.78								
Other Expenses	**17.70**	**8.26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	17.70	8.26								
R & D Expenses	**-**	**-**	**329.20**	**306.65**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			329.20	306.65						
Rent paid	**69.41**	**67.32**	**-**	**-**	**-**	**-**	**2.56**	**2.40**	**-**	**-**
ISEC Organics Ltd	69.41	67.32		-		-	-	-		
Smt. Pushpa Aggarwal	-	-		-		-	2.56	2.40		
Rental Income	**-**	**-**	**-**	**4.67**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			-	4.67						

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Group exercises joint control		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration paid	**-**	**-**	**-**	**-**	**1,042.04**	**309.35**	**44.83**	**29.27**	**-**	**-**
Sh. Hari Chand Aggarwal					478.98	124.01				
Sh. Rajesh Aggarwal					478.80	103.30				
Smt. Nikunj Aggarwal					44.23	41.28				
Sh. Sandeep Aggarwal					31.40	33.28				
Sh. Sandeep Kumar					8.63	7.48				
Smt. Anju Aggarwal							12.65	11.11		
Smt. Kritika Aggarwal							12.60	-		
Sh. Sanjeev Aggarwal							19.58	18.16		
Contribution to CSR	**171.05**	**148.78**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	171.05	148.78								
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.00**	**7.00**
Sh. Vinod Kumar Mittal									1.25	1.50
Sh. Deepak Gupta									-	0.25
Sh. Jayaraman Swaminathan									1.50	2.50
Sh. Navin Shah									1.00	1.25
Sh. Virjesh Kumar Gupta									1.25	1.50

(iii) Balance outstanding with related parties

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Entities over which the Group exercises joint control		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Remuneration payable	**-**	**-**	**-**	**-**	**162.55**	**13.95**	**2.85**	**1.90**
Sh. Hari Chand Aggarwal					76.81	5.16	-	-
Sh. Rajesh Aggarwal					80.91	4.39	-	-
Smt. Nikunj Aggarwal					2.24	1.99	-	-
Sh. Sanjeev Aggarwal					-	-	1.20	1.05
Smt. Kritika Aggarwal					-	-	0.79	-
Smt. Anju Aggarwal					-	-	0.86	0.85
Sh. Sandeep Aggarwal					1.77	1.71	-	-
Sh. Sandeep Kumar					0.82	0.70	-	-
Payables	**3,218.97**	**1,372.77**	**-**	**17.43**	**-**	**-**	**0.75**	**0.66**
Vinod Metal Industries	30.70	35.32	-	-			-	-
Valves & Pneumatics	0.29	-	-	-			-	-
Crystal Crop Protection Pvt Ltd	-	1,247.66	-	-			-	-
Indogulf Cropsciences Ltd	2,156.09	-						
HPM Chemical & Fertilizers Limited	1,031.73	82.17	-	-			-	-
ISEC Organics Ltd	-	0.06	-	-			-	-
Crop Care Federation of India	0.16	7.56	-	-			-	-
OAT & IIL India Laboratories Private Limited	-	-	-	17.43			-	-
Smt. Sonia Aggarwal	-	-	-	-			0.75	0.66
Receivables	**1,215.17**	**118.36**	**-**	**-**	**-**	**-**	**-**	**-**
HPM Chemical & Fertilizers Limited	143.31	-						
Crystal Crop Protection Ltd	699.97	-						
Indogulf Cropsciences Ltd	371.89	118.36						
Advances given	**966.60**	**0.31**	**1.98**	**-**	**-**	**-**	**-**	**-**
Evergreen Mineral Industries	-	0.31	-	-				
Crystal Crop Protection Ltd	355.67	-	-	-				
Isec Organics Ltd.	610.93	-	-	-				
OAT & IIL India Laboratories Private Limited	-	-	1.98	-				

(iv) Key management personnel compensation

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	1,026.47	278.73
Post-employment benefits	15.57	30.62
Long-term employee benefits	-	-
Total	**1,042.04**	**309.35**

(v) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39. CONTINGENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
a) Bank Guarantee	186.93	326.93
b) Excise Matter with Appellate Authority	1,142.17	352.10
c) Sales Tax / GST Matters	401.49	397.57
d) Revenue Department	89.60	89.60
Total	**1,820.19**	**1,166.20**

With respect to contingent liabilities reported at (b), (c) & (d) above, the management has taken an opinion from the legal advisors / professionals engaged by them and expects that the appeals will be decided in the favor. Therefore, the probability of outflow of resources is remote.

40. COMMITMENTS

a) Commitments with respect to:

Particulars	As at March 31, 2019	As at March 31, 2018
Letter of Credits (FLC & ILC)	5,154.09	3,915.66
	5,154.09	**3,915.66**

b) Capital commitments - Estimated amount of Contracts remaining to be executed on capital accounts (net of advances) and not provided for INR 242.74 (March 31, 2018- INR 201.30).

c) Lease commitments

Aggregate lease payments made under cancellable operating leases during the year is INR 274.98 (March 31, 2018: INR 346.63). There were no non-cancellable operating leases.

41. EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	12,281.38	8,429.13
Weighted average number of shares (Face value Rs 10/- each)	20,667,796	20,667,796
(a) Basic earnings per share (INR)	59.42	40.78
(b) Diluted earnings per share (INR)*	59.42	40.78

*There are no dilutive potential equity shares.

42. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Current			
Financial assets			
First charge			
Trade receivables	10(a)	24,424.89	23,481.20
Loans	10(d)	1,244.19	5.96
Other financial assets	10(e)	431.02	327.95
		26,100.10	**23,815.11**
Non-financial assets			
Inventories	9	70,510.65	40,728.95
Other current assets	11	897.34	569.26
Total current assets pledged as security		**97,508.09**	**65,113.32**
Non-Current			
Financial assets			
First charge			
Security deposits	6(b)	127.02	160.50
Non-financial assets			
Property, plant and equipment	3	23,715.03	22,837.65
Capital work-in-progress	3	1,271.42	1,268.32
Other non-current assets	7	1,300.99	636.23
Total non-currents assets pledged as security		**26,414.46**	**24,902.70**
Total assets pledged as security		**123,922.55**	**90,016.02**

43. The Balances shown under the head Trade Receivables and Trade Payables are subject to confirmation and reconciliations. However, the Group has initiated the process of obtaining confirmations from trade receivables and payables.

44. Information as required to be funished as per section 22 of the Micro, small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group :

Particulars		As at March 31, 2019	As at March 31, 2018
i	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	560.62	825.86
	Interest	6.12	-
ii	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payments made to the supplier beyond the appointed day during each accounting Year.	-	-
iii	The amount of interest due and payables for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	1.70	-
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.	4.42	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible enterprise under section 23 of the MSMED Act,2006.	6.12	-

45. CONTRACT ASSETS AND CONTRACT LIABILITIES

The following table provides information about receivables,contract assets and contract liabilities from contracts with the customers :

Particulars	As at March 31, 2019		As at March 31, 2018 Restated	
	Current	Non-current	Current	Non-current
Trade Receivables	24,424.89		23,481.20	
Total trade receivables	**24,424.89**	**-**	**23,481.20**	**-**
Contract assets				
Loss allowance				
Total contract assets	**-**	**-**	**-**	**-**
Contract liabilities	6,228.54	-	5,664.94	-
Total contract liabilities	**6,228.54**	**-**	**5,664.94**	**-**

46. Hon'ble Supreme Court has pronounced a judgement in February, 2019 as a clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Supreme Court seeking additional clarifications and there has been no clarity yet, either from Govt. or from other concerned authorities. In light of the above, the Group has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

47. Information on details of loans under section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014

Particulars	Outstanding as at 31st March 2019	Maximum Amount Outstanding during 2018-19	Outstanding as at 31st March 2018	Maximum Amount Outstanding during 2017-18
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	409.00	409.00	-	-
- Mentor Financial Services Pvt. Ltd (for Business purpose)	818.58	818.58	-	-

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

48. STATUTORY GROUP INFORMATION

AS AT MARCH 31, 2019

Name of the entity in the Group	Consolidated Net Assets, i.e. Total Assets minus Total Liabilities		Share in Consolidated Profit and Loss		Share in Consolidated Other Comprehensive Income		Share in Consolidated Total Comprehensive income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income
Parent								
Insecticides (India) Limited	66,134.75	99.90%	12,240.67	99.67%	(366.60)	99.95%	11,874.07	99.66%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	65.63	0.10%	40.71	0.33%	(0.17)	0.05%	40.54	0.34%
Total equity	**66,200.38**		**12,281.38**		**(366.77)**		**11,914.61**	

AS AT MARCH 31, 2018

Name of the entity in the Group	Consolidated Net Assets, i.e. Total Assets minus Total Liabilities		Share in Consolidated Profit and Loss		Share in Consolidated Other Comprehensive Income		Share in Consolidated Total Comprehensive income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income
Parent								
Insecticides (India) Limited	54,759.02	99.95%	8,397.36	99.62%	403.47	99.96%	8,800.83	99.64%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	25.09	0.05%	31.77	0.38%	0.18	0.04%	31.95	0.36%
Total equity	**54,784.11**		**8,429.13**		**403.65**		**8,832.78**	

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

Summary of Significant Accounting Policies 1 to 2
Notes to Financial Statements 3 to 46

Auditor's Report
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For Devesh Parekh & Co.
Chartered Accountants

Devesh Parekh
Partner
Membership No.- 092160
Firm Registration No. - 013338N

For S S Kothari Mehta & Company
Chartered Accountants

Harish Gupta
Partner
Membership No.- 098336
Firm Registration No. - 000756N

Place : Delhi
Date : May 28, 2019

Hari Chand Aggarwal
Chairman
DIN: 00577015

Rajesh Aggarwal
Managing Director
DIN: 00576872

Nikunj Aggarwal
Whole Time Director
DIN: 06569091

Sandeep Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary

INSECTICIDES (INDIA) LIMITED

Corporate Identification Number (CIN): L65991DL1996PLC083909
Regd. Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033;
E-mail: investor@insecticidesindia.com; Telefax: +91 – 11 – 2769700 – 04
Website: www.insecticidesindia.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING ("AGM") OF **INSECTICIDES (INDIA) LIMITED** will be held on Friday, August 02, 2019 at 10.30 a.m IST at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003, to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions:**

   a. **"RESOLVED** that the audited financial statement of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b. **RESOLVED** that the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare dividend on Equity Shares for the Financial Year ended March 31, 2019 and in this regard pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED that a dividend at the rate of ` 2/- (Two rupees only) per equity share of ` 10/- (Ten rupees) each fully paid-up of the Company be and is hereby declare for the financial year ended March 31, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2019."

3. To appoint a Director in place of Smt. Nikunj Aggarwal (DIN: 06569091), who retires by rotation and being eligible, offers herself for re-appointment and in this regard pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Smt. Nikunj Aggarwal (DIN: 06569091), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Business

4. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2020 and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force)the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this Meeting, to be paid to M/s Aggarwal Ashwani K & Associates, Cost Accountant, Firm Registration No. 100191 the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2020, be and is hereby ratified."

5. To re-appoint Shri S. Jayaraman (DIN : 02634470) as an Independent Director and in this regard, to pass, the following resolution as a **Special Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with applicable Rules framed thereunder Shri S. Jayaraman (DIN: 02634470), be and is hereby re-appointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a second term of 5 (Five) years with effect from February 09, 2019 upto February 08, 2024, as per recommendation of Nomination and Remuneration Committee"

6. To re-appoint Shri Vinod Kumar Mittal (DIN : 07421742) as an Independent Director and in this regard, to pass, the following resolution as a **Special Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with applicable Rules framed thereunder Shri Vinod Kumar Mittal (DIN: 07421742), be and is hereby re-appointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a second term of 5 (Five) years with effect from February 09, 2019 up to February 08, 2024, as per recommendation of Nomination and Remuneration Committee"

7. To re-appoint Shri Virjesh Kumar Gupta (DIN : 06382540) as an Independent Director and in this regard, to pass, the following resolution as a **Special Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with applicable Rules framed thereunder Shri Virjesh Kumar Gupta (DIN: 06382540), be and is hereby re-appointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a second term of 5 (Five) years with effect from May 31, 2019 up to May 30, 2024, as per recommendation of Nomination and Remuneration Committee"

8. To re-appoint Shri Navin Shah (DIN : 02701860) as an Independent Director and in this regard, to pass, the following resolution as a **Special Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with applicable Rules framed thereunder Shri Navin Shah (DIN: 02701860), be and is hereby re-appointed as an Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a second term of 5 (Five) years with effect from May 31, 2019 up to May 30, 2024, as per recommendation of Nomination and Remuneration Committee"

By Order of the Board of Directors

Sandeep Kumar
Company Secretary and Chief Compliance Officer

Delhi, May 28, 2019

Registered Office:
401-402, Lusa Tower,
Azadpur Commercial Complex,
Delhi – 110033

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

3. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of relevant Board Resolution together with the specimen signature(s), of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.

4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

5. The Register of Members and Share Transfer Books of the Company will remain closed from July 27, 2019 to August 02, 2019 (both days inclusive) for annual closing and determining of the shareholders eligible to receive the Final Dividend for 2018-2019.

6. The Board of Directors recommended Final Dividend of Rs. 2/- per Equity Shares for the Financial Year 2018-2019, subject to the approval of the shareholders. The dividend, if approved, will be credited/dispatched within a stipulated period as per Companies Act, 2013 from the conclusion of the meeting:

   I. To all beneficial owner in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on July 26, 2019;

   II. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on July 26, 2019.

7. Members holding shares in electronic form are informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend(s). The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective depository participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend(s) are requested to write to the Company/ Company's Registrar and Transfer Agents, i.e. Alankit Assignments Limited ("AAL").

8. In terms of the provisions of Section 152 of the Act, Smt. NikunjAggarwal, Director of the Company, retire by rotation at this Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend her re-appointment.

9. Shri Hari Chand Aggarwal, Shri Rajesh

Aggarwal and Smt. NikunjAggarwal are interested in the Resolutions set out at Item No. 3 of the Notice with regard to the re-appointment of Smt. Nikunj Aggarwal, being related to each other, may be deemed to be interested in the resolution set out at Item No. 3 of the Notice. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Business set out under Item Nos. 1 to 8 of the Notice.

10. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on August 08, 2017.

11. Pursuant to the provisions of 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the Company has transferred the unpaid or unclaimed dividends declared up to financial years 2010-11, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on August 08, 2018 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: http://www.insecticidesindia.com/UnpaidDividend/UnclaimedSheet2018_website.pdf The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

12.

a. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2018-19, **NIL** shares transferred to the IEPF Authorities Account, there was no such case wherein dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. September 25, 2018.

b. Members may note that unclaimed dividend transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: http://iepf.gov.in/IEPFA/refund.html or contact AAL for lodging claim for refund of shares and / or dividend from the IEPF Authority.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN details to the Company.

14. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

15. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise the shares held by them in the physical form.

16. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meeting (SS-2) of the

Institute of Company Secretaries of India ("ICSI"), in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM, requisite declarations have been received from the Directors for seeking appointment / re-appointment.

17. The Notice of the 22nd AGM, Attendance Slip, Proxy Form, route Map along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice of 22nd AGM, Attendance Slip, Proxy Form, Route Map, and the Annual Report 2018-19 will also be available on the Company's website viz. www.insecticidesindia.com for their download.

    To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / AAL

18. Members may note that the physical copies of the aforesaid documents and other relevant documents referred in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e. except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

19. **Voting through electronics means**

    I. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

    II. The facility for voting, through polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM. Remote e-voting shall not be allowed beyond Thursday, August 01 at 5:00 p.m.

    III. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be July 26, 2019. The voting right of members shall be in proportion to their share in the paid up equity share capital of the Company as on Cut-off date.

    IV. The remote e-voting period begins on Monday, July 29, 2019 at 09.00 a.m. and ends on Thursday, August 01, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 26, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    V. The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    VI. The details of the process and manner for remote e-voting are explained herein below:

    Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who holdshares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password Click on:
   a) "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password.In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala

Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email ID: investor@in.nestle.com or contact at telephone no. 011-23418891

VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of the AGM and holds shares as on the cut-off date i.e. July 26, 2019, may obtain the User ID and password by sending a request at evoting@nsdl.co.in or evoting@in.nestle.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password byusing "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.

IX. The Board of Directors has appointed M/s Akash Gupta & Associates, Company Secretaries, (PCS Regs. No. 11038) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

X. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

XI. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.insecticidesindia.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

20. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting.

By Order of the Board of Directors

Sandeep Kumar
Company Secretary and Chief Compliance Officer

Delhi, May 28, 2019

Registered Office:
401-402, Lusa Tower,
Azadpur Commercial Complex, Delhi – 110033

EXPLANATORY STATEMENT IN RESECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following explanatory statement sets out all material facts relating to various Businesses including Special Business of the accompanying Notice of the Annual General Meeting to be held on August 02, 2019

ITEM NO.4

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of Aggarwal Ashwani K. & Associates, Cost Accountants, Delhi (Firm Regd. No. 100191), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company

Accordingly, ratification by the members is sought to the remuneration of Rs.4,50,000/- (Rupees Four Lakh Fifty Thousand Only) (excluding out of pocket expenses) payable to the Cost Auditor for Financial year ending March 31, 2019 by passing Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the members.

ITEM NO.5

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. S. Jayaraman, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from February 09, 2019 to February 08, 2024.

After Considering the performance evaluation of Mr. S. Jayaraman, the Board of Directors at its meeting held on November 12, 2018 re-appointed Shri S. Jayaramanas an Independent Director for the second term of 5 (Five) years with effect from February 09, 2019 till February 08, 2024. Shri S. Jayaraman has given a declaration to the Board that he meets the criteria for independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Shri S. Jayaraman fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

The Brief profile of Shri S. Jayaraman is given below:

Shri S. Jayaraman holds a Master's Degree in Science and a Diploma in Business Management. In addition he had done an advanced General Management course in MIT Sloan School USA. He joined Hoechst India in 1970 and held various positions. He rose to become a Director, Member of Board .The responsibilities included manufacturing, QA, Safety in divisions of Agrochemicals, Pharmaceuticals (Pharma & Veterinary) and Vaccines. The demerger and acquisitions took him to Head new areas of responsibility in Commercial, Purchase (Imports, Exports & Domestic),Supply Chain, SAP. The companies were Hoechst Schering Agrevo Ltd., Agrevo Ltd., Aventis Ltd., Bayer Crop Science

Ltd. In 2004 he joined Hikal as Business Head, VP for their the Agrochemicals division. Here the areas of work involved were active, formulations and contract manufacturing from three different factory locations. In 2008 he joined Sequent to work as Business Development Advisor for Domestic and International markets. Here the areas of work involved identifying new domestic and international customers for active, formulations and contract manufacturing for both pharma and veterinary products. Both Hikal and Sequent work focussed on developing new long term sustainable and mutually beneficial long term growth oriented business relationships. Such contracts were very well coordinated and supported by creating an efficient manufacturing and supply chain. He shall be re-appointed under the category of Independent (Professional) Director and he shall be appointed on similar terms and conditions of his initial appointment.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Shri S. Jayaramanas an Independent Director

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Shri S. Jayaramanare in any way concerned or interested, financially or otherwise in the resolution.

The Directors recommend the resolution for approval by the members.

ITEM NO.6

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Vinod Kumar Mittal, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from February 09, 2019 to February 08, 2024.

After Considering the performance evaluation of Shri Vinod Kumar Mittal, the Board of Directors at its meeting held on November 12, 2018 re-appointed Shri Vinod Kumar Mittal as an Independent Director for the second term of 5 (Five) years with effect from February 09, 2019 to February 08, 2024. Shri Vinod Kumar Mittal has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.In the opinion of the Board, Shri Vinod Kumar Mittal fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company

The Brief profile of Shri Vinod Kumar Mittal is given below:

Shri Vinod Kumar Mittal is highly experienced person in the banking sector and he had taken a voluntary retirement from the post of Chief Manager in State of Patiala, Zonal Office, New Delhi in the year 2005. He is enriched with the professional expertise in the working, Shri Vinod Kumar Mittal get appointed as an additional Independent director of the Company in February 10, 2016. He shall be appointed under the category of Independent (Professional) Director and he shall be appointed on similar terms and conditions of his initial appointment.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Shri Vinod Kumar Mittal as an Independent Director

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Shri Vinod Kumar Mittal are in any way concerned or interested, financially or otherwise in the resolution.

The Directors recommend the resolution for approval by the members.

ITEM NO.7

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Virjesh Kumar Gupta, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive yearsfrom May 31, 2019 up to May 30, 2024.

After Considering the performance evaluation of Shri Virjesh Kumar Gupta, the Board of Directors at its meeting held on May 28, 2019 re-appointed Shri Virjesh Kumar Gupta as an Independent Director for the second term of 5 (Five) years with effect from May 31, 2019 up to May 30, 2024. Shri Vinod Kumar Mittal has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Shri Virjesh Kumar Gupta fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

The Brief profile of Shri Virjesh Kumar Guptais given below:

Shri Virjesh Kumar Gupta, age 72 years, is a graduate by qualification. He is a highly experienced professional with indepth understanding and hands of experience in diverse business fields for over 41 years. He is specialized in general management covering almost all aspects of day to day business activities. He is also associated with various Educational and Charitable Societies.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Shri Virjesh Kumar Guptaas an Independent Director.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Shri Virjesh Kumar Gupta are in any way concerned or interested, financially or otherwise in the resolution.

The Directors recommend the resolution for approval by the members.

ITEM NO.8

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Navin Shah, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from May 31, 2019 up to May 30, 2024.

After Considering the performance evaluation of Shri Navin Shah, the Board of Directors at its meeting held on May 28, 2019 re-appointed Shri Navin Shah as an Independent Director for the second term of 5 (Five) years with effect from May 31, 2019 to May 30, 2024 based on the nomination for his appointment as Director received from a member. Shri Vinod Kumar Mittal has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Shri Navin Shah fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

The Brief profile of Shri Navin Shah is given below:

Shri Navin Shah, aged 77 years, belongs to a business family of Delhi. He started his business career in plastic industries. Shri Navin Shah has more than 48 years experience in manufacturing in PVC compound.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Shri Navin Shah as an Independent Director.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Shri Navin Shah are in any way concerned or interested, financially or otherwise in the resolution.

The Directors recommend the resolution for approval by the members.

Annexure to the Notice dated May 28, 2019

Information of Director retiring by rotation and the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in accordance with provisions of Companies Act, 2013 and Secretarial Standards, as on the date of Notice

Name of the Director	**Smt Nikunj Aggarwal**	**Shri S. Jayaraman**	**Shri Vinod Kumar Mittal**	**Shri Virjesh Kumar Gupta**	**Shri Navin Shah**
Directors Identification Number (DIN)	06569091	02634470	07421742	06382540	02701860
Date of Birth (Age in Years)	January 01, 1973 (46 Years)	July 17, 1949 (70 Years)	May 02, 1952 (67 Years)	April 07, 1947 (72 Years)	August 18, 1942 (77 Years)
Original Date of Appointment	May 02, 2013	February 10, 2016	February 10, 2016	June 01, 2014	June 01, 2014
Qualification	Graduate	M.Sc. Organic Chemistry IIT, Delhi; DIP in Bus. Mang. (Bom Univ-3 yrs); Adv. Gen Mangt – MIT Sloan School, USA	Graduate	B. Com (Hons.)	High School
Experience and expertise in specific functional area	More than 10 years of experience of Administration in Agro Chemical Industry. Please refer Company's website: www.inceticidesindia.com for detailed profile.	More than 40 years of Experience in Manufacturing, QA, Safety, logistics, Contract Manufacturing of Technical and Formulation. Please refer Company's website: www.inceticidesindia.com for detailed profile.	More than 35 Years of Experience in Banking Sector. Please refer Company's website: www.inceticidesindia.com for detailed profile.	More than 41 Years of Experience in Business Management and Operations. Please refer Company's website: www.inceticidesindia.com for detailed profile.	More than 48 Years of Experience in Manufacturing and Management. Please refer Company's website: www.inceticidesindia.com for detailed profile.
Remuneration last drawn	As mentioned in Corporate Governance Report of 2018-2019				

Name of the Director	Smt Nikunj Aggarwal	Shri S. Jayaraman	Shri Vinod Kumar Mittal	Shri Virjesh Kumar Gupta	Shri Navin Shah
Number of meeting of Board attended during the year (2018-2019)	4	3	4	4	3
Shareholding in Insecticides (India) Limited	1125000 Equity Shares	Nil	Nil	Nil	Nil
Relationship with other Directors / KMPs	Spouse of Shri Rajesh Aggarwal, Managing Director and Daughter-in Law of Shri Hari Chand Aggarwal, chairman and Whole-time Director and not related to any other Director / Key Managerial Personnel	Nil	Nil	Nil	Nil
Directorships of other Boards as on March 31, 2019	Nil	Nil	Nil	Nil	1) Shailja Papers Limited 2) Varahi Limited
Membership /Chairmanship of committees of other Boards as on March 31, 2019	Nil	Nil	Nil	Nil	Nil

By Order of the Board of Directors

Sandeep Kumar
Company Secretary and Chief Compliance Officer

Delhi, May 28, 2019

Registered Office:
401-402, Lusa Tower,
Azadpur Commercial Complex, Delhi – 110033

Route map to the venue of the 22nd Annual General Meeting of Insecticides (India) Limited

Sri Sathya Sai International Centre,
Pragati Vihar, Lodhi Road, New Delhi - 110003

NOTES

INSECTICIDES (INDIA) LIMITED

CIN: L65991DL1996PLC083909

Regd. Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033;

Website: www.insecticidesindia.com;E-mail: investor@insecticidesindia.com;

Telefax: +91 – 11 – 2769700 – 04

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the Meeting

DP Id* Folio No.

Client Id* No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER:

I/We hereby record my/ our presence at the 22nd Annual General Meeting of the members of the Company held on Friday, August 02, 2019 at 10:30 a.m.at **Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003**

*Applicable for investors holding shares in electronic form

Member's /Proxy's Signature

Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall, Members intending to appoint a proxy may use the Proxy Form given herewith.

INSECTICIDES (INDIA) LIMITED

CIN: L65991DL1996PLC083909

Regd. Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033;

Website: www.insecticidesindia.com;E-mail: investor@insecticidesindia.com;

Telefax: +91 – 11 – 2769700 – 04

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) **Folio No. / Client ID**

DP ID

Reg. Address **Email ID**

I/We, being the member(s) of……………………shares of the above named company, hereby appoint

1 ……………………..……….of………..……………… having E-mail Id:……..………………….or failing him;

2 ……………………..……….of………..……………… having E-mail Id:……..………………….or failing him;

3 ……………….......……….of………..……………… having E-mail Id:……..………………….or failing him;

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 22nd Annual General Meeting of the members of the Company, to be held on Friday, August 02, 2019 at 10:30 a.m.at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003 and at any adjournment thereof in respect of such resolution as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Resolution		**Optional	
Ordinary Business		**For**	**Against**
1	Consider and adopt: a. Audited Financial Statement for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon		
	b. Audited Consolidated Financial Statement for the financial year ended March 31, 2019 and the Report of Auditors thereon		
2	Declaration of dividend on Equity Shares for FY Ended March 31, 2019.		
3	Re-appointment of Smt. Nikunj Aggarwal (DIN: 06569091), a director retiring by rotation.		

Important Communication to Members

The Companies Act, 2013 is taking step forward in promoting "Green Initiative" by providing for service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement to help to environment. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate the Company or Registrar of the Company i.e. Alankit Assignments Limited, New Delhi.

Special Business			
4	Ratification of remuneration of Cost Auditors for the financial year ending March 31, 2020		
5	Re-appointment of Shri. S. Jayaraman (DIN: 02634470) as Independent Director for second term of 5 years w.e.f. 09/02/2019		
6	Re-appointment of Shri. Vinod Kumar Mittal (DIN: 07421742) as Independent Director for second term of 5 years w.e.f. 09/02/2019		
7	Re-appointment of Shri. Virjesh Kumar Gupta (DIN: 06382540) as Independent Director for second term of 5 years w.e.f. 31/05/2019		
8	Re-appointment of Shri. Navin Shah (DIN: 02701860) as Independent Director for second term of 5 years w.e.f. 31/05/2019		

Signed this ……………………………..day of………………2019.

Affix Revenue Stamp

Signature of the Shareholder

Signature of First proxy holder | Signature of Second proxy holder | Signature of Third proxy holder

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the registered Office of the Company at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi - 110033, not less than 48 hours before the commencement of the Meeting.**
2. **A proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
4. For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 22nd Annual General Meeting.
5. **It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Appointing a proxy does not prevent a member from attending the Meeting in person if he / she so wishes. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy will stand automatically revoked.
7. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.
8. This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
9. This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
10. Undated proxy form will not be considered valid.
11. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

हमारी फसल
संतान हमारी

इनकी सुरक्षा हमारी ज़िम्मेदारी

www.insecticidesindia.com

TRACTOR BRAND

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/insecticidesltd

/company/insecticidesindia

/insecticidesindialtd

/insecticidesindialtd