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

insecticides (INDIA) LIMITED

ISO 9001:2015, 14001:2015 & 45001:2018

CERTIFIED COMPANY

Ref: IIL/SE/2022/0209/1
Dated: September 02, 2022

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**

SUB: Notice of the 25th Annual General Meeting of Insecticides (India) Limited ("Company") along with Annual Report for Financial Year 2021-22

Dear Sir/Madam,

This is in continuation of our letter no. IIL/SE/2022/1208/1 dated August 12, 2022 and IIL/SE/2022/2008/1 dated August 20, 2022

The 25th Annual General Meeting (AGM) of the Company will be held on **Friday, September 23, 2022 at 03:00 PM through Video Conferencing ("VC")/OAVM only.**

The Company is providing remote e-voting facility to all its members to cast their votes on all resolutions as set out in the Notice of the AGM. Remote e-voting period commences on Monday, September 19, 2022 (9:00 am) and ends on Thursday, September 22, 2022 (5:00 pm). The remote e-voting facility shall be disabled by CDSL for voting thereafter. During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-offdate i.e. Friday, September 16, 2022, only shall be entitled to avail the facility of remote e-voting.

The details, such as, manner of registering/updating e-mail address, casting vote through e-voting, attending the AGM through VC/OAVM has been set out in the Notice of the 25th AGM

The Notice of 25th AGM along with Annual Report for FY 2021-22 has been sent to the Shareholders by electronic mode and the same is hosted on the Company's website at the following web link:

https://www.insecticidesindia.com/wp-content/uploads/2022/09/IILAnnualReport2022.pdf

The Annual Report – 2021-22 and Notice of 25th AGM is attached herewith.

Sandeep Rohtagi

INSECTICIDES (INDIA) LTD.
COMPANY SECRETARY
DELHI

You are requested to kindly take the same on record.

Thanking you,

Yours Truly,
For Insecticides (India) Limited

INSECTICIDES (INDIA) LTD.
COMPANY SECRETARY
DELHI

(Sandeep Kumar)
Company Secretary & CCO

insecticides (INDIA) LIMITED

हर क़दम, हम क़दम

Together We Rise

Growing responsibly towards a Sustainable Future.

Annual Report 2021-22

What's Inside...

Reporting period and scope

This report covers financial and non-financial information and activities of Insecticides (India) Limited ('the Company' or 'IIL') during the period April 01, 2021 to March 31, 2022.

Materiality

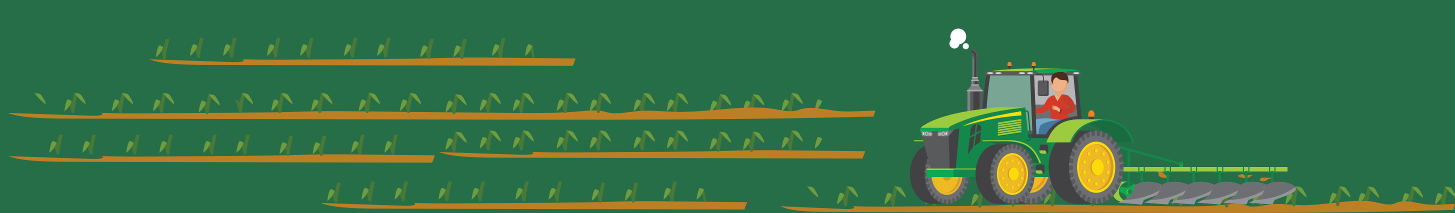
We cover key material aspects that have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points set by the key management personnel.

Responsiveness

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

Forward-looking statement

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



Corporate Information

Board of Directors

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

Rajesh Kumar Aggarwal
Managing Director
(DIN:00576872)

Nikunj Aggarwal
Whole-time Director
(DIN:06569091)

Virjesh Kumar Gupta
Independent Director
(DIN:06382540)

Navin Shah
Independent Director
(DIN:02701860)

S. Jayaraman
Independent Director
(DIN:02634470)

Praveen Gupta
Independent Director
(DIN: 00180678)

Executive Officers

Sandeep Kumar Aggarwal
Chief Financial Officer

Sandeep Kumar
Company Secretary &
Chief Compliance Officer

Company's Registered & Corporate Office

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

Registrar & Transfer Agent

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

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

Board Committees

Audit Committee

Praveen Gupta
Chairperson
Virjesh Kumar Gupta
S. Jayaraman

Corporate Social Responsibility Committee

Hari Chand Aggarwal
Chairperson
Rajesh Kumar Aggarwal
Virjesh Kumar Gupta

Nomination and Remuneration Committee

S. Jayaraman
Chairperson
Virjesh Kumar Gupta
Navin Shah

Stakeholders Relationship Committee

Virjesh Kumar Gupta
Chairperson
Praveen Gupta
Navin Shah

Risk Management Committee

Rajesh Kumar Aggarwal
Chairperson
S. Jayaraman
Praveen Gupta

Finance Committee

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

Statutory Auditors (Joint)

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

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

Secretarial Auditors

M/s Akash Gupta & Associates
Company Secretaries, Delhi

Internal Auditors

M/s Aditi Gupta & Associates
Chartered Accountants, Delhi

Cost Auditors

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

Bankers

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

Plant Locations

A. Rajasthan

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

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

B. Jammu and Kashmir

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

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

C. Gujarat

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

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

Together we rise.

At IIL, our business is underpinned by our reliance on a foundation of innovation, distinct capabilities, robust fundamentals and a focused strategy to give direction to our thoughts.

At IIL, our business is underpinned by our reliance on a foundation of innovation, distinct capabilities, robust fundamentals and a focused strategy to give direction to our thoughts.

We are backed by our unique product portfolio, rising capacity, growing global footprint and prudent capital investment plans.

However, we strongly believe that we can only be sustainable over the long-term when we ensure a sustainable growth for our key stakeholders, the Farmer Community, our People and our Planet.

Because when we grow together, our business is sustainable and helps set us on the path to prosperity.

Our unwavering efforts to discover new ways of growth, achieve our cherished goals and deliver unrivalled performance has enabled us to lay the groundwork for long-term growth. Now, it's time for us to think and strategize for a sustainable tomorrow to ensure long-term growth and create positive value for our stakeholders and the environment.

We manufacture and market products that help us play our part in helping our farmer community. We progressively churned our product portfolio, phasing out the old, introducing the new.

We widened our portfolio to cater to broader range of crops across varied soil types and seasons. We evolved as a total crop solutions provider from being just another supplier of crop protection chemicals.

Today, more than ever before, we realise our responsibility to remain attuned to the demands of tomorrow.

Valuing our inherent strengths and a clear roadmap to tackle the challenges on our path, we intend to join hands with our farmer community to help our farmers grow.

Because

When the farmers grow, the nation grows too.

Numbers that define Insecticides (India) Limited

20+
Years of industry experience

Export products to over

22
countries

6 **strategically located** integrated manufacturing units (2 Technical Synthesis Plants, 6 Formulation Plants & 1 Biological Plant*)
*Under toll arrangements

Comprehensive range of **crop protection** products across four categories: **Insecticides, Herbicides, Fungicides, Biologicals and Plant Growth Regulators (PGRs)**

Owner of the prestigious **Tractor Brand**, highly popular among the farmers

21+
Technical products

35+
Maharatna products

105+
Formulation products

4
Technologically advanced research and development units helping IIL develop a comprehensive range of agrochemical products

1,400+
Strong and dedicated workforce giving the Company people edge

6,000+
Distributor connect

70,000+
Dealer and retailer connect

380+
SKUs

20,00,000+
Farmer connect

600+
Farmer advisors

Message from the Chairman

"We focus on evolving ourselves from need-based product to service provider to the farmer community to a plan-based sustainable growth and development for the holistic welfare of the farmer community"

Dear Shareholders,

A warm welcome to all of you to the 25th Annual Meeting of Insecticides (India) Limited and hope that you and your families are all doing well. When I wrote to you last year, the Covid-19 pandemic had resulted in a challenging year for us all. Twelve months on, we have all faced another tough year as the pandemic continued to affect our lives, disrupt the global supply chains, and rapidly increasing inflation. All these factors presented hurdles to progress and business growth. But despite the challenges, the fiscal under review was a year of notable achievements. Looking just at the financial numbers, this won't be clearly visible yet.

We not just reported sustainable growth numbers, but also focused on our commitment to ensure sustainable growth for our different stakeholders and successfully worked towards it. Our knowledge of the industry, our connection with the farmer community, and our agility and responsiveness to capture opportunities while constantly evolving our offerings have helped us emerge as the trusted and dedicated solution provider for our customers. Keeping in mind the turbulent situation, we also made several demands on our people and it is to their huge credit that they not only delivered on the financial results, but also helped us take decisive strides in some non-financial areas. Our achievements in FY22 reflects the relevance of our purpose **'Together we grow towards a sustainable future'** in addressing the evolving needs of our farmer community and consequently help address many key challenges faced by our planet and society.

Sectoral optimism

India's agricultural sector is the backbone of the economy because a majority of our population is still directly or indirectly dependent on it. Further, the agricultural industry is also expected to play a critical role in ensuring the food security of the nation's growing population. Thus, the growth of this sector will have to be as robust as the other sectors, if not more. Agriculture was also one of the very few industries which have grown positively during the covid period. This again showcased the importance of the industry and attracted new attention to the industry from both the public and private sectors.

Keeping an eye on this encouraging trend, we continue to focus on evolving ourselves from a product-based crop protection product manufacturer to solution focused service provider to the Indian farmer community with a focus on sustainable growth and holistic development of the farmer community. This, in turn, would propel the growth of the agricultural industry and would help us bring world-class product within the reach of every farmer in India. We have also regularly undertaken different farmer awareness and education initiatives across India, helping them judiciously use crop protection chemicals to enhance their yield and financial stability. When the nation's agricultural industry progresses, the nation grows.

Embracing sustainability

At Insecticides (India) Limited, there is a strategic clarity on how we expect to grow in the coming years. Amid the pandemic challenge, we operated nimbly and flexibly to stay on track with our ongoing transformation process and invested strategically in the most critical areas of our long-term growth and value creation model. We introduced many new initiatives and measures across functions, while systems and processes were also strengthened manifold to create an enabling environment for the Company to grow sustainably.

While the Covid outbreak was undoubtedly a catastrophic event, we saw in it the opportunity to fast-track our progress as a solution provider and emerge as a globally recognized player. At the outset of this strategic evolution, we recognized that to achieve our sustainable growth ambitions, we would need to build on the organizational capabilities which have delivered such a strong performance track record. Accordingly, we continued to build on our manufacturing capabilities, which would drive our growth in the years ahead. IIL has always been committed to its cause of making India a self-dependent nation. In line with this strategy, we graduated from a manufacturing to an innovation-led entity. Today, thanks to our backward integration, we have been successful in developing several key raw materials internally which were sourced from other nations previously. As we continue to reinvent ourselves, we continue to realign our business strategy in line with the government's 'Atmanirbhar India' mission. At IIL, we believe that this mindset is likely to enable us to achieve operational and financial targets that were previously inconceivable and is also likely to enable us to circle new orbits of exceptional performance and promising growth. We also focused on the greater use of technology to ensure that we remain connected with our colleagues, vendors, dealers, and clients.

We also focused on enhancing our R&D capabilities, during the year, in such a way that it helps us to create an innovative product portfolio and also helps in our backward integration process. A portfolio that actually fulfils the unmet and unarticulated needs of the farmer community. We continued focusing on mapping our portfolio against evolving customer needs for environment friendly products through our organic portfolio. Assessing the dynamic market situation, we tried to craft a portfolio with an optimal mix of inorganic and organic products that act as a lever to promote our sustainable growth ambitions. Further, we emphasised on realigning our portfolio with the focus on high-value products. In line with this strategy, we launched three new products in FY22.

We also focused on enhancing our R&D capabilities, during the year, in such a way that it helps us to create an innovative product portfolio and also helps in our backward integration process.

Towards a sustainable tomorrow

Additionally, in line with our diversification and de-risking strategy, we nearly doubled our international footprint in FY22. Leveraged our wide and deeply entrenched pan-India distribution network to drive growth in existing and new markets. Reworked on our go-to-market initiatives to establish quicker and direct connect with the nation's farmer community. Further, we have built a strong bonding with our dealer and distributor network and continued to keep our ears to the ground to understand their needs better.

Finally, I would like to take this opportunity to extend my personal gratitude and appreciation to all our team members for their dedicated contribution towards building the brand IIL. Today we stand at a juncture where have been successful in earning the trust of customers and stakeholders through the integrity of our promise, the quality of our products, and the insightful differentiation that delivers value in every product we market. We aim to retain their trust and build on it to grow sustainably.

We have started our new financial year with good momentum. I am confident that with enhanced capabilities, innovative portfolio, and dedicated growth plans, we will continue to accelerate our growth trajectory. I would like to take this opportunity to thank all our stakeholders, including farmers, customers, investors, business partners, and employees, for their continued trust and support. We look forward to another year of sustainable performance, supported by our unrelenting commitment on **'Together We Rise'**.

Thanks,

H. C. Aggarwal

Chairman

Building a company to grow together and sustainably.

This is Insecticides (India) Limited.

We are one of India's leading crop protection and nutrition company.

Commencing business in 2001, we have evolved from just another manufacturer and marketer of crop protection chemicals to one of India's leading crops protection solution providers.

Insecticides (India) Limited (IIL) is a fully integrated and diversified agrochemical company with a diverse product portfolio and an expansive global presence.

We have consistently worked to increase our capacities and capabilities over the past two decades, which has increased value for our stakeholders. Our success in the market has been attributed to our drive for discovering new prospects and re-engineering our product line. Thanks to our unique portfolio and our capacity to comprehend their demands, we have a close relationship with our farmer community.

Over the years, IIL's focus has been and will be on bringing the latest technology products within the reach of even the small and marginal farmers.

Today, we are manufacturers of best-in-class crop protection products across four product categories: insecticides, herbicides, fungicides, biologicals and plant growth regulators (PGRs). We market branded generics and proprietary products reinforcing our strategy of creating a sustainable tomorrow for everyone. Since inception, our focus has been on meeting the evolving needs of our farmer community and contributed to the nation's development with our innovative strategies and focused commitments.

Today, we have Tractor Brand as the umbrella brand for IIL range of products which is very popular amongst the PAN India farmer community.

Our History

Guided by the visionaries Mr. H. C. Aggarwal and Mr. Rajesh Kumar Aggarwal, Insecticides (India) Limited is a future-focussed Company rooted in innovation, quality and manufacturing excellence that makes it a preferred choice of a growing and ever evolving global farmer community.

Our Vision

Our dream is to contribute in a big way towards rebuilding our mother Earth.

We intend to make our mother Earth a greener and cleaner place through our work and our innovative product portfolio that will become the first choice for all farmers worldwide.

Our Mission

Our purpose, what we are

We work towards making agriculture sustainable and profitable for our farmers, by using simple and effective technologies to ensure food security for all.

Values that drive us

- Always evolving in the best interest of farmers
- Continuously adopting innovative measures
- Eco-friendly production
- Advancing towards sustainable agricultural practices
- Ultra-modern automated manufacturing for consistent quality and safety

KNOWING INSECTICIDES (INDIA) LIMITED

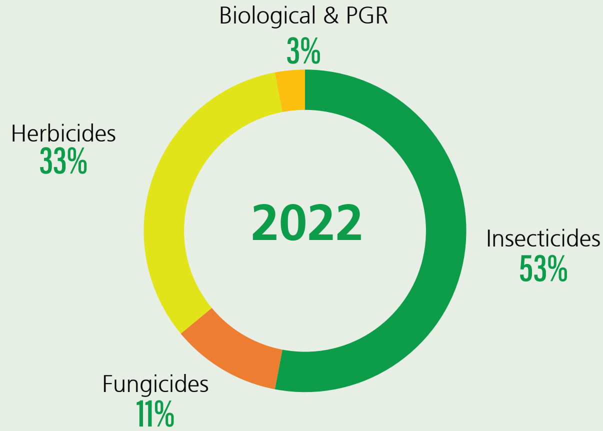
What we offer

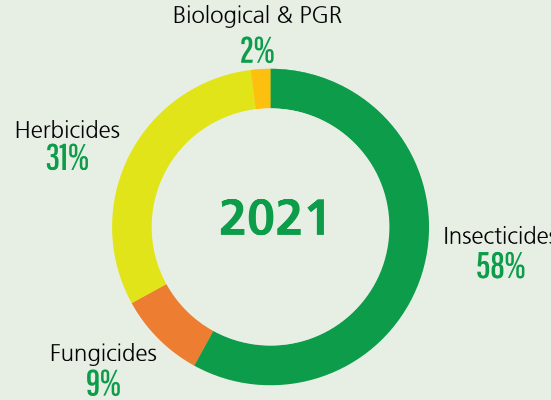
At IIL, we offer a comprehensive range of crop protection and nutrition products such as insecticides, herbicides, fungicides and biological and plant growth regulators (PGRs). With sustainable growth in mind, we have enhanced our portfolio with the introduction of biologicals. We are an innovative research-driven agrochemical company that develops cost effective and quality crop protection solutions aiming to enhance the yield and lives of the farmers with a continuous focus on quality, access and affordability.

Today, we have over 21 technical products, 105 formulation products and 35 Maharatna products to cater to the farmer's community.

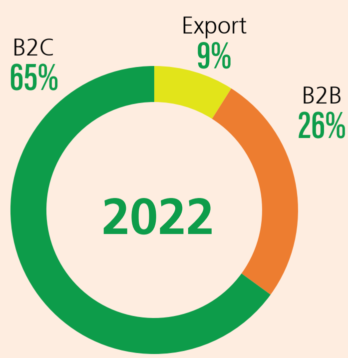
We have built our success, over the years, on the strength of our product portfolio backed by our strong research and manufacturing capabilities. It enables us to build end-to-end capabilities, create advanced formulations and technical, and meet stringent regulatory requirements. We are at an extremely opportune point in our journey and are excited about not only accelerating and broadening the growth path but also strategically aiming to expand our foray into the biological space while constantly lending stability to a dynamic organisation.

SEGMENT WISE REVENUE CONTRIBUTION

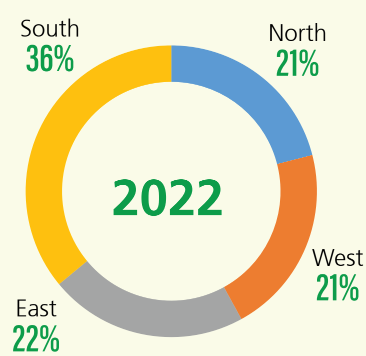




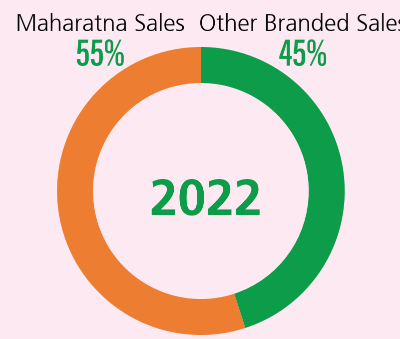
Net Sales by Segment



Region-wise branded sales

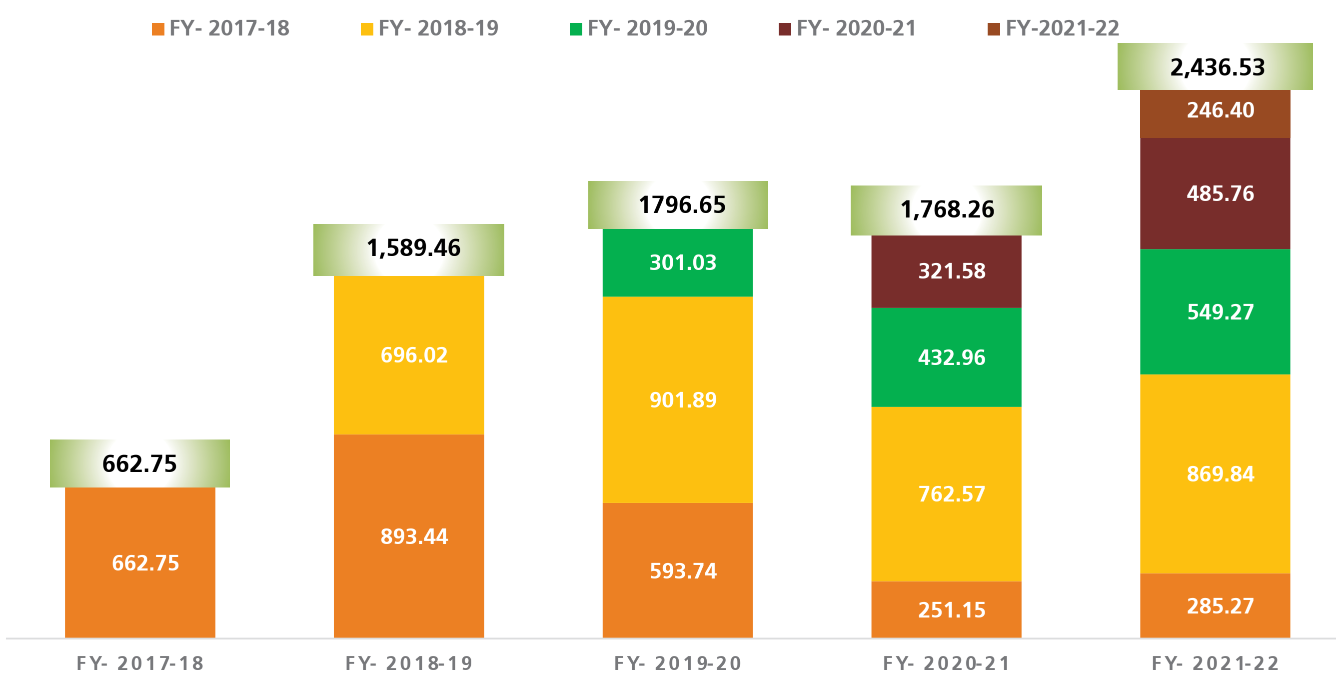


Maharatna Products vs other Branded Products



OUR PRODUCT FRESHNESS INDEX

Sales of New Products Launched during:



KNOWING INSECTICIDES (INDIA) LIMITED

Our manufacturing capabilities

Today we have been successful in creating a sustainable business for the long-term, thanks to our strong manufacturing capabilities. We have six multifunctional manufacturing facilities (certified with ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018) for the production of formulation and technical products in the crop protection category.

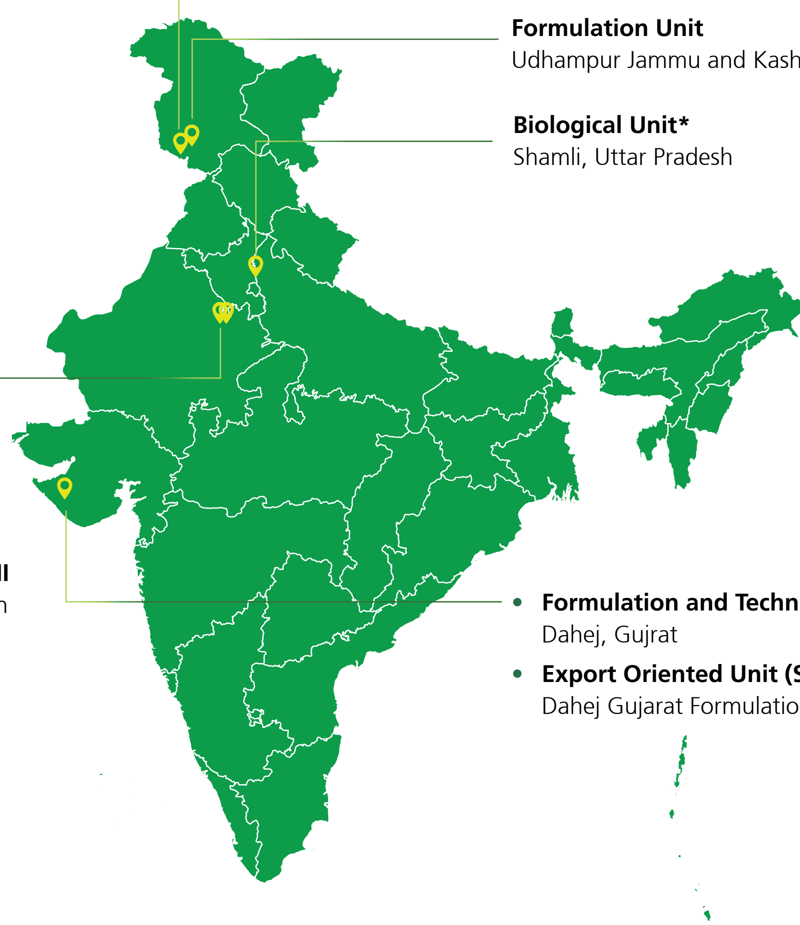
Our aggregated manufacturing capabilities

30,900 KLPA
Liquid

80,750 MTPA
Granules

24,770 MTPA
Powder

13,800 MTPA
Active Ingredient and Bulk Products

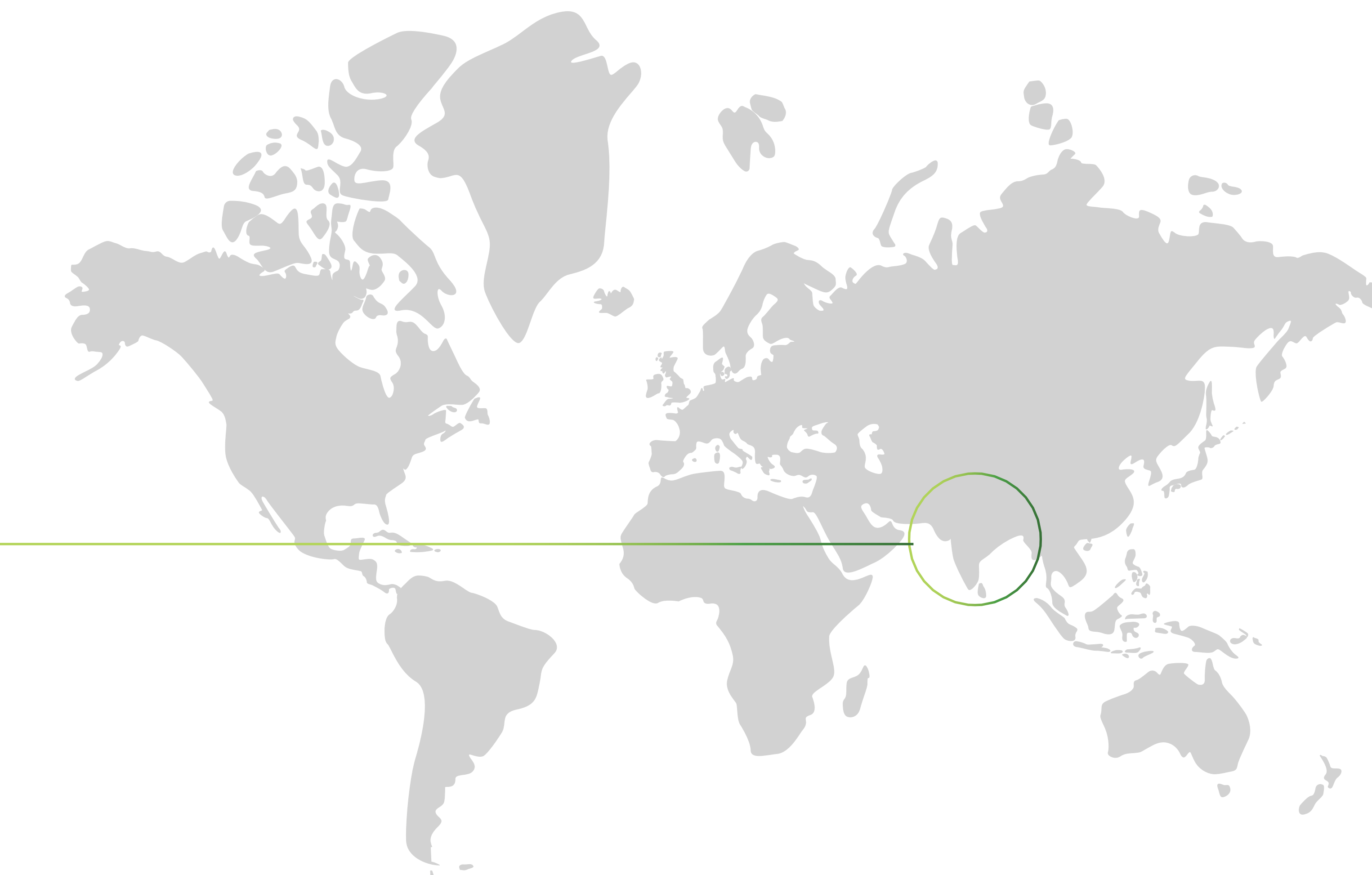


*Under toll arrangement

Our growing presence

Headquartered in Delhi, India, IIL has entrenched its presence in more than 22 countries spread across the globe. In service of the farmer community for over two decades now, IIL has also built a strong domestic presence with 27 branch offices and an innovative product portfolio. Driven by our core philosophy of enhancing farmers' prosperity and enhance farm viability, we are today connected with more than 20,00,000 farmers spread across India.

Utilising the longstanding experience of our farmer community, we have developed an array of products which has helped us graduate from a crop protection chemicals company into a complete crop protection and nutrition solutions provider. The Company's product basket comprises offerings for multiple crops, fruits and vegetables, insulating from an excessive dependence on any one segment.



GROWING RESPONSIBLY TOWARDS A SUSTAINABLE FUTURE.

How we are growing towards a sustainable future?

Disciplined capital allocation

- Disciplined approach towards capex expenditure
- Strong focus on research and development

Strong ESG focus

- Strong focus on environment, safety, communities and creating value for all stakeholders
- Robust governance and disclosures

Sustained investment in brand building

- We have fortified our brand positioning through sustained investments in marketing and brand promotional activities across our key markets
- We focused on increasing brand awareness and farmer's loyalty through creative promotions, brand awareness programs and new-age marketing, using both digital and traditional channels.

Focus on growth opportunities

- We have focused on building a portfolio which has positioned us well to new growth opportunities
- We are on a constant look to build on our capabilities to capitalise on these emerging opportunities

World-class manufacturing practices

- We have strengthened our manufacturing capabilities by periodically adopting technological prowess
- Focused on creating economies-of-scale and multifunctional manufacturing

Building long-term relationships with customers

- We have evolved from a product-driven company into a solution-driven organisation
- We have built our business foundation with a mission to ensure holistic welfare of the farmer community. In sync with this ethos, we have reoriented our portfolio and have introduced different farmer awareness and education programs such as "Har Kadam, Hum Kadam" and "Insecticides Jaroori Hai"

Shaping a sustainable future

IIL could have been successful cloning products of innovators.

Our sustainable approach, we chose to focus on innovation, R&D, new product discovery and on providing solutions in line with the government's 'Make in India' vision.

IIL could have been happy making generic products.

Our sustainable approach, we intend to provide our farmers with new generation solutions through our R&D and our partnerships with Japanese companies, to help boost their productivity.

IIL could have been content marketing products in India.

Our sustainable approach, banking on India's image in the international market in terms of quality, commitment and service, we dared to venture into the global market to market our products in over 22 countries.

IIL could have outsourced research and focused only on marketing.

Our sustainable approach, we invested in research and development to make new inventions, new formulation developments and biological products, to emerge as an integrated player through reverse engineering, and to make our manufacturing process and synthesis process simple and efficient. We have set up four different R&D centers with different themes.

IIL could have only focused on our successful chemical crop protection products.

Our sustainable approach, we invested in striking the correct balance of biological and chemical products to encourage holistic and sustainable ways of farming through next generation solutions.

OUR STRATEGIC PRIORITIES

IIL's strengths that would help us pave the way for a stronger tomorrow

IIL is a proud provider of joyful moments – our solutions and brands bring prosperity and joy in the life of the farmers. We are convinced that our farmer focus is the basis for IIL to grow and our brands to flourish pan India and beyond. An attractive end to end product portfolio, robust manufacturing capabilities supported by seamless backward integration for quality raw materials, strong R&D backbone and a clear growth strategy for different stakeholders is expected to create a better and brighter tomorrow for all of us.

Growing market share in agrochemicals business with an expansive and innovative product range

We are one of India's leading and most versatile manufacturers of chemical and biological crop protection and nutrition products, with a presence across product segments such as insecticides, herbicides, fungicides and biological & plant growth regulators (PGRs). Our extensive portfolio of quality products caters to the evolving needs of our farmer community. Further, we have constantly invested in expanding and upgrading manufacturing & technology and R&D to provide the farmers with affordable, environment-friendly, safe and effective international quality products. This not only enhanced our product popularity amongst the farmers pan India including the small and marginal farmers, but has also acted as a key differentiator in this highly competitive market. An extensive product portfolio comprising new and innovative patented products as well as brand new off-patent molecules helps us cater to the needs of farmers across incomes, crops, pests, and geographies. During FY22, we launched three new products to further bolster our market share.

Building on in-house manufacturing with a focus on building end-to-end capabilities

Product innovation, flexible manufacturing facilities, R&D, quality and service capability have been and will be our defining traits. Backed by our strong in-house R&D capabilities, we enjoy a strong backward integration in processes and sourcing of quality raw materials. Further, over the years, we have been successful in building end-to-end in-house capabilities from the development of new products at the lab scale to taking it to our state-of-the-art pilot plants to scale up the processes for development of technologies to commercializing the product. Our ability to produce critical inputs materials in-house has enabled us to manage cost, guaranteed product quality and short-notice supply of materials.

Further, our flexible manufacturing approach, with a combination of in-house R&D and Manufacturing has enabled us to manufacture one gram to multi-tonnes of technical and formulation products. Additionally, our strong quality management supports our aggressive approach to backward integration. We also emphasized on developing our processes to meet the global standards

both in terms of purity and impurity profiles along with making processes more sustainable by reducing waste and emissions. We have also developed an in-house process for impurity identification, testing process development and reference standard for AI and impurities.

Expansive distribution reach

Our strong distribution network comprising of 380+ SKUs, 70,000+ dealers and 6,000+ distributors, together with our 27 branch offices, gives us a strong competitive advantage. This deep-rooted distribution network ensures our products are able to reach the deepest consumption pockets even in the remote areas. Many of the dealers catering to various retail touchpoints have been associated with the Company for multi generations. Our distribution strength has also enabled us to create a long-standing relationship with the farmers and today we connect with more than 20,00,000 farmers.

Boosting farmer relationships

At IIL, we pride ourselves on the strength and longevity of our partnerships with the farmer community, ensuring we win together in a dynamic market. Farmer relations is at the heart of our business model; we have consistently enhanced our relevance within the farmer community by providing the best crop protection solutions within the reach of every small and marginal farmers. Supporting the farmers with innovative and value-added products has helped drive sustainable growth both for the farmers and for IIL. It also helped progressively increase the breadth of these relationships across categories, and partnering with them to unlock efficiency across a shared value chain. Further, periodically we undertook various farmer's education and awareness initiatives to strengthen their farming techniques, bust some longstanding myths against the usage of agrochemicals and enhance farmer trust. We have also been able to deepen and broaden our relationships with the farmer by developing a portfolio which helped us emerge as a solution provider. Further, we followed a customer centric approach to develop new product range which helped enter into a relationship with new farmer year over years.

Operational excellence and technology driving efficiency

We constantly strive to improve our operations through the adoption of the latest advanced technologies. We look at technology as an enabler and continue to invest in solutions aimed at improving efficiency, optimise cost and streamline supply chain, thereby reducing production time and improve cost effectiveness. Our regime to regularly expand our existing facilities and add new products to the kitty is one of our strengths. This strategy of ours has helped us to achieve higher process efficiency and boost business performance. We are leveraging technology to transform our business along with real-time monitoring mechanism to promote integrated and quick business decision-making. Over the years, we implemented several new initiatives to achieve a greater degree of operational excellence. In our endeavour to bring disruptive and cost-effective products to the market, we proactively undertook several de-bottlenecking programmes in our existing plants with the timely maintenance of machineries and equipment. We also focused on regular monitoring of our manufacturing processes to ensure product quality and management. We also have a well-designed centralised procurement management mechanism to ensure efficient raw material management and reduce wastage. We also recently installed solar power panels at our plants to meet a large part of our power requirement, save on power cost and minimise our carbon footprint.

Growing our presence in the biological segment

At IIL, we aim to emerge as a market leader in the markets where we are present. We strongly believe that we can only do so when we can help the farmers get more from their land and ensure their holistic sustainable growth. For over two decades, we've been finding more effective ways to fight crop disease and control weeds and pests to increase the yields of farmers' crops. Keeping the farmers at the heart of our business has always been the key to our success. As our farmers grow and the industry evolves, we have been on the lookout for newer ways to grow with them to meet more of their needs across the crop life-cycle. In line with this strategy and our sustainable farming mindset, we ventured into the biological segment thanks to our strong R&D capabilities and dedicated biological unit. We strongly believe that biological and chemical will co-exist and increasing level of awareness, we need to provide an optimum product mix in the interest of the farmers. Biological solutions offer sustainable farming with lesser environment footprint while ensuring higher yield. Biological fertilisers and products provide a bio-stimulation effect and improved nutrition, resulting in healthy plant growth, better yield, quality, and tolerance to biotic and abiotic stresses. Today we have 6 biological products in our range. Being a niche segment, we enjoy strong competitive advantage and continue to grow our presence.

Our key biological products

Product USPs

- Helps replenish the natural properties of the soil, increase its organic carbon and improve its physical properties
- Promotes healthy growth and greater nutrient absorption
- Increases plant's resistance to various biotic and abiotic stresses.

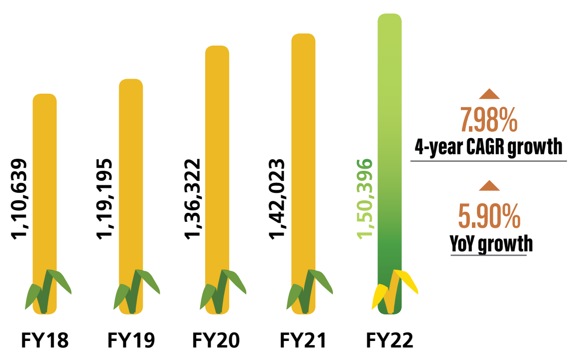
NUMBERS DEPICTING OUR SUSTAINABLE GROWTH STORY

Key performance indicators

Driven by our commitment to grow together, we delivered on our promises in FY22 and recorded another year of commendable growth.

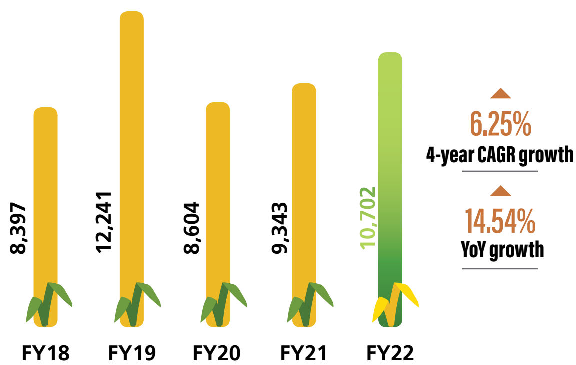
Profit and loss indicators

Revenue from Operations (₹ in lacs)



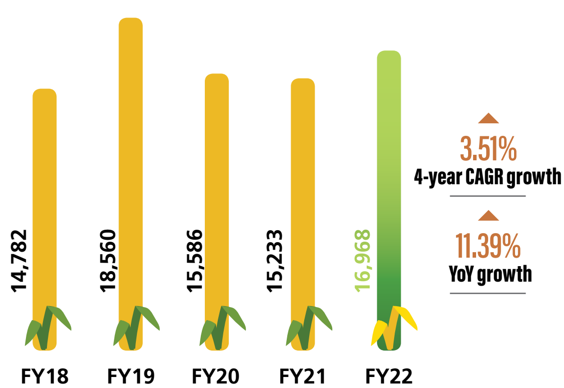
Revenue grew by 5.90% YoY despite the challenges faced because of the pandemic and unprecedented inflation.

PAT/Net Profit (₹ in lacs)



Net Profit grew by 14.54% on a Y-o-Y basis, thanks to strong demand and enhancement of manufacturing processes.

EBITDA (₹ in lacs)



EBITDA grew 11.39% YoY with 11.28% margin. Rising input costs were partly mitigated by higher focus process optimization, favourable operating leverage, and a greater focus on premiumization.

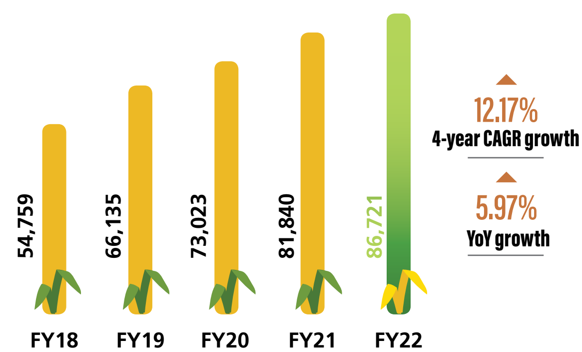
Earnings Per Share (₹)

YoY increase in net income coupled with strong financial position, led to significant rise in earnings per share from ₹40.78 in FY18 to ₹53.97 in FY22. EPS has increased by 19.37% on a YoY basis.

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

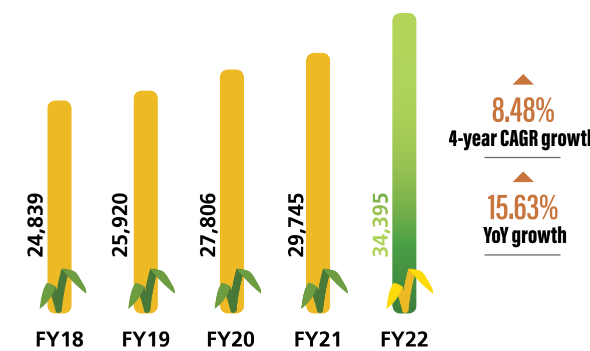
Balance sheet indicators

Net worth (₹ in lacs)



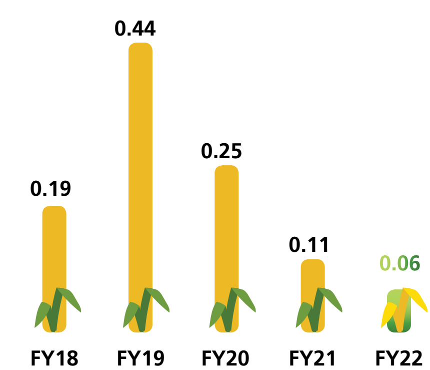
The YoY increase is clocked at 5.97% during FY22. It has increased from ₹81,839.80 lacs in FY21 to ₹86,721.20 lacs in FY22.

Net fixed assets (₹ in lacs)



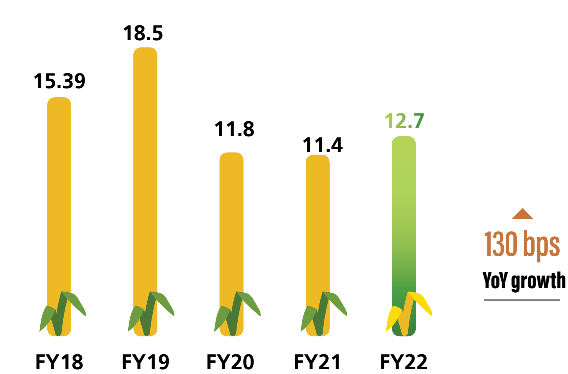
The additions to fixed assets in FY22 was mainly on account of capex investments.

Debt-equity ratio (times)



Reduction in the debt-equity ratio was mainly on account of the regular debt repayment.

Return on equity (%)



Generated a higher return on the invested equity capital owing to increase sales.

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

GROWING TOGETHER

By offering a unique portfolio of Premium Products

Focused Maharatna Products

Maharatna Products

GROWING TOGETHER

By regularly offering improved products

New Product Launches 2021-22

New Product Launches, as of 31st August 2022, FY23

In conversation with Mr. Rajesh Kumar Aggarwal

Managing Director,
Insecticides (India) Limited

> **"Sustainability is a critical enabler of our growth strategy, and we are making regular strategic investments in innovative initiatives, not just for our direct stakeholders but also for the society at large."**

Q What are your top reflections as the Managing Director of Insecticides (India) Limited in FY22?

A Speaking of this year's results, what really stands out is the continued strong growth in all verticals, including our export business. Firstly, I would like to say that I am grateful for the resilience and agility of our people as we continued to navigate through the crisis in FY22 while we continued working towards a sustainable future. There is nothing more important than the health and safety of our people, and I am proud and thankful for how our colleagues, customers, and suppliers continued to adapt and support one another.

Despite the challenges, our emphasis on building a sustainable future for all continued to gain momentum in FY22. This is reflected in our sustained investment in our manufacturing, R&D, and marketing capabilities and people, and in building an organisation focused on sustainable growth.

We made some key strategic shifts during the year to reorient our systems and process internally, even as we responded with agility to the challenging external environment. We focused our efforts on bringing in greater efficiencies and cost discipline, along with a seamless transition to the new normal of functioning in an environment of total safety for our people. Thus, by simplifying our processes and right-sizing our cost bases, we unlocked significant savings.

Q

A

Key highlights of FY22's business performance?

We delivered another year of commendable performance in FY22. Taking some decisive steps, we recorded positive growth in revenue, operating profit, and margin during the year. We made remarkable growth in our export business during the year and expanded our presence to more than 22 countries. Another big positive for us was our three products introduced in the last fiscal Hachiman, Shinwa and Oxim gained substantial traction in the market.

We launched Torry in the first quarter of FY23. The introduction of Torry is a matter of pride for us as it was completely developed by our R&D team by reverse engineering as **Make in India** product. Its technical and formulation has been manufactured in India for the first time. We made substantial progress towards backward integration, thanks to our R&D team, who helped us in the in-house development of technicals and key raw-materials. This always help us to reduce our dependency on external third parties, while giving us the consistency in supplies.

Our revenues for the year increased by 5.90% to stand at ₹1,503.96 crore in FY22. EBITDA for the year stood at 11.39% (₹169.68 crore) as compared to 10.73% (₹152.33 crore) in the previous year. Profit After Tax (PAT) stood at ₹107.02 crore as compared to ₹93.43 crore in the previous year. Our PAT margin in FY22 improved by 54 bps from the previous year and stood at 7.12%. We maintained an EBIDTA margin of 11.28% during the year.

Q

A

What were the key initiatives that transpired during the year for IIL?

It was a combination of our strategic and functional changes that transpired during the year. One of the key initiatives that transpired in FY22 was the expansion of our manufacturing capabilities. We embarked on the process of enhancing our technical manufacturing capacity by nearly 50% at our Chopanki (Rajasthan) and Dahej (Gujarat) plants.

Another major achievement for IIL in FY22 was the progress we made towards backward integration. Over the last few years, we were contemplating the option to explore the opportunity of making some of the key raw material in-house required for our technical products. This became very relevant in the last couple of years owing to the abrupt fluctuation of raw material and logistic costs. During the financial year under review, we embarked on this initiative and have been successful in achieving a substantial progress in terms of developing raw materials in-house and we would continue to on this going forward. This is likely to save us substantial cost while making us self-dependent. Further, it will enable us to establish ourselves in the international and the domestic market as a big player in the technical market.

We introduced 3 new products in FY22. Two of our biggest launches in FY22 were Hachiman and Shinwa. Shinwa is a patented insecticide of Nissan, Japan, but Hachiman was developed by the in-house R&D team in technical collaboration with Nissan, Japan. Both the products have found high traction in the market and is expected garner substantial revenue in the coming years. We also focused on integrating our processes as much as possible while maintaining a transparent, well-organised, and well-controlled manufacturing line.

Further, the year saw us making considerable progress in building a sound foundation for a connected value chain. Our focus has been on leveraging the extensive data emanating from different customer touch points to identify and address opportunities to enhance product offtake, drive productivity increase, waste reduction and improvements in product and process quality. We made serious strides in this journey with the initiation of the CRM project.

To deliver a more balanced and responsive stakeholder value proposition, we also strengthened our product proposition with a keen focus on growing segments such as the import substitute segment, biological business and the value enhancing product segment, among others. We focussed on generating increased efficiencies by optimising our processes and costs in many ways.

Q
A

What steps did the company undertake to enhance its sustainability quotient?

Sustainability is a critical enabler of our growth strategy, and we are making regular strategic investments in innovative initiatives, not just for our direct stakeholders but also for the society at large. Our steadfast commitment towards building a lean, green and clean organisation continues to translate into more eco-friendly products and processes across our business value chain.

As a part of our sustainable business initiative, during the year, we installed two solar power plants of 250 KW capacity and 1,000 KW capacity at our Rajasthan (Chopanki) and Gujarat (Dahej) facilities respectively. This not only helps us meet the captive power requirement of the plants but also helps reduce our carbon footprint. We are also in the process of setting up a new 200 KW solar power plant at our Dahej (SEZ) unit, which is expected to further help us in adopting sustainable manufacturing practices.

Further, under our sustainability focus, we embarked on various initiatives in terms of reusing water in utilities, toilets and gardens while reducing effluents.

Q
A

What is your approach to long-term value creation?

At IIL, we are a growth focused company and have a long history of delivering superior growth. Over the years, we have laid emphasis on sustainable and balanced growth over an exponential one. This mindset of our has helped stay relevant to our shareholders and to the farmer community as well. We aim to strike the right balance between short-term goals, medium-term goals, and long-term sustainability plans, between top-line growth and overall stakeholder value creation. Our renewed value creation model and our innovation-focused portfolio, encapsulate our balanced ambition. I believe that our all-round growth and excel across different business functions such as R&D, manufacturing, marketing, training and development, is expected to be the base for the long-term value creation. Based on the same, IIL strives to bring the latest technology solutions in the reach of farmers.

Q
A

When it comes to branding and marketing, what major initiatives were undertaken during the year?

We continued to invest in our key brands – Pulsor, Green Label, Hercules, Kunoichi, Dominant, Lethal Gold, KK Pro across our key markets. We leveraged our associations with Suniel Shetty, the Bollywood superstar, to build brand salience. During the fiscal, we also roped in the versatile Bollywood Superstar Ajay Devgn as our Brand Ambassador to enhance our brand visibility. All the legal formalities has been completed and we have launched our new brand ambassador in the first quarter of FY23. A well-established name in the Indian film industry and a name that is popular amongst the masses, we believe the association with Mr. Ajay Devgn would add significant value to our brand and help us augment our presence with a larger audience.

Q
A

How do you see the biologicals business shaping up?

Biological business is one of the fastest growing segments and we are consistently investing in it to enhance our capabilities in terms of research and manufacturing. Presently, we are offering over 6 products in the biological segment to provide a solution that is possible by biological means. With our in-house biological R&D facility at Shamli, Uttar Pradesh, we plan to introduce more innovative products in this segment which offer the farmers better yields for higher margins and helps to meet the food demands in a more sustainable manner. We achieved all-around growth and excel in all directions R&D, manufacturing, logistics & supply chain, marketing, training, and development, thereby bringing in new solutions within the reach of the farmers.

Further, to bolster our presence in the segment, we plan to have a dedicated subsidiary company for biologicals, named IIL Biologicals Limited and is expected to be operational in FY24. This dedicated business unit strategy is likely to propel the growth of the segment.

Q
A

What has been IIL's biggest learning in FY22?

The last two years have been exceptional learning for almost every business house. Our learning in FY22 was about the importance of balance and sustainability. It is critical to keep an optimistic outlook yet be realistic and face the harsh truths. Move with agility and speed, yet take enough time to reflect on the opportunities. However, the most important realisation for us has been it only when all the stakeholders in a business entity grow, then only the business can grow.

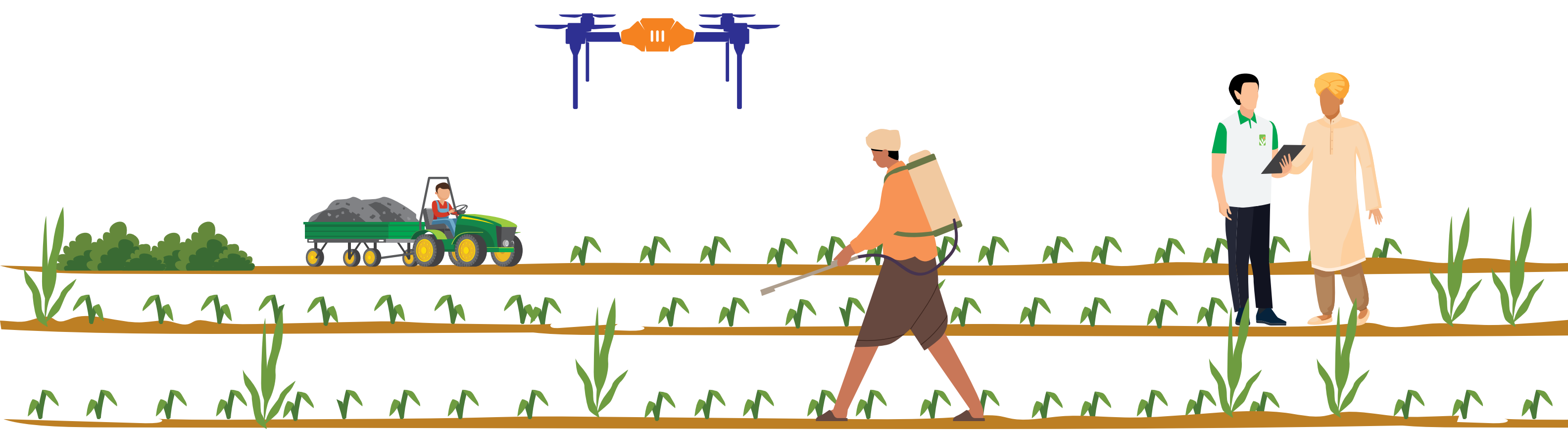
Q
A

What is the Company's outlook for the next few years?

We are encouraged by the progress made, validated by the convincing performance of our business in FY22, and we are happy with how the business started shaping up in FY23. We remain optimistic about our prospects. The synergies we have steadfastly infused into the organization are expected to make us future-ready. They are likely to fortify us to harness the emerging opportunities in the short as well as long term. Keeping in mind our existing portfolio and how we are building our relations with the existing and new clients, we expect to grow our business at a much faster rate over the next five years at a double-digit growth. Reflecting our confidence in the long-term, we intend to further step up our investments in technology, brand building, and sustainability initiatives. This investment will be mostly offset by further delivery of gross savings from our productivity initiatives.

We have planned our pipeline of products in such a way that every year we launch some products out of our collaborations, R&D and the innovation centre. We look forward to launching about 6-7 new products in FY23 as well out which we have already launched three in the first quarter.

We are well poised to seize the opportunity, at the back of our strong credentials, and our exciting product mix that spans price points and diversified customer needs. Our technological and digital transformation journey, aimed at promoting operational and cost efficiencies, is another lever that we shall continue to accelerate as we move towards more targeted expansion into newer geographies and customer segments with the coexistence of both chemistry and biological products. The business will grow in all directions, domestic and Internationally.



PARTNERING FOR GROWTH

Accelerating innovation for farmers through our growth enablers

As an organisation, we have always aspired to grow responsibly and sustainably. We intend to do so by ensuring that all our stakeholders grow sustainably. Standing at the cusp of a new age of green movement, we aim to grow sustainably by developing products which are more sustainable and more environment-friendly, leading the industry to embrace sustainable practices.

At IIL, we have consistently delivered innovative solutions thanks to our strong manufacturing capabilities, focused R&D, proactive management, and efficient brand communication – our key business enablers.

I. Efficient manufacturing

We are one of the youngest yet seasoned players in the Indian agrochemicals industry, yet in just a couple of decades we have made our presence felt within our industry space with our innovative end to end solutions. We have always taken proactive measures to remain agile with our offerings, adapting to the evolving needs of our farmer community with focussed enthusiasm. Periodical diversification of our portfolio has created more revenue streams to ensure we are not overdependent on a specific product, crop, or geography. This has been made possible by our six state-of-the-art manufacturing facilities. We have built our manufacturing capabilities around the three ethos of Excellence, Endurance and Environment-friendliness.

We have always been at the forefront of leveraging technology to facilitate business growth. In FY22, we continued to invest in new technologies, which have helped us improve operational efficiencies, aided better decision making and helped deliver quality products at scale to both our retail and institutional customers. Backed by our flexible manufacturing capability, we have developed the capability to manufacture both complex active ingredients and formulation products across our facilities. In the last couple of years, we have undertaken several initiatives to enhance our manufacturing capabilities.

Taken together, these have led IIL to emerge as one of the economical manufacturing operations in the agrochemicals segment, helping us pass on the cost benefit to consumers and the farmer community. Our manufacturing plants spread out in such a way that aids our faster go-to-market plans. We invested and would continue to invest in best-in-class equipment to ensure we operate as efficiently and safely as possible, both at our current facilities and in our future expansion to support our sustainable growth plans.

II. Focused Research and Development (R&D)

IIL is a research-based crop protection and nutrition company that develops innovative biological and chemicals crop protection solutions for significantly improving the holistic welfare of the farmer community. A constant focus on R&D is and always an endeavour at IIL. By leveraging our strong R&D, knowledge, expertise, and innovation capabilities, we seek to improve manufacturing process efficiencies and backward integration strategy to maintain cost competitiveness.

This is, without a doubt, the most critical condition for the company to be able to deliver products and solutions of the highest quality. We proactively invest in state-of-the-art research & development (R&D) activities and manufacture infrastructure to ramp up the supply of world class crop protection solutions.

Key focus areas of the R&D unit

- Cost optimisation through process improvement and backward integration
- Focus on in-house development of off-patented generic products at an effective cost
- Emphasise on development of the latest products through effective JV with renowned global players
- Focuses on process intensification, technology absorption, and commercialisation of technologies
- Undertake technical and commercial feasibility assessment before selecting molecule
- New product development (both chemical and biologicals) which are more efficient and environment friendly
- Product enhancement - value addition to existing products and reduction of process wastes
- Pave way for the development of new products in the high-growth sectors
- Process Synthesis for the technical
- Development of the safe new age formulations
- Development of synergistic combinations for ease of use and better control
- Innovation & discovery of new chemical entities

Our R&D unit at Chopanki is GLP certified testing facility and is recognized by the Department of Scientific and Industrial Research (DSIR) – Ministry of Science & Technology, Govt. of India.

With a specialised R&D team of over 60 people, made up of competent researchers, scientists, and product specialists who are committed to strengthening IIL's intellectual property via excellence and innovation.

Our state-of-the-art R&D centres are equipped with high-end technical equipment such as NMR and HPLCs, sourced from globally renowned manufacturers. Further, we have state-of-the-art bio assay rooms, modern breeding centres and spray cabinets to boost our competency.

Transforming opportunity into reality

In the first quarter of FY23, we introduced a new herbicide product called TORRY in the market, completely developed by our in-house R&D team.

III. Quality our key differentiator

Quality is a cornerstone of IIL's culture and is fundamental to the success of our customers (farmers and institutional clients) and our business. Our quality focuses to maximize customer satisfaction and loyalty through continuous improvement across the value chain.

Recognising the significance of delivering the quality products, we adhere to stringent quality standards throughout our operations. Our state-of-the-art facilities enable us to develop quality and affordable crop protection solutions. Steered by a team with representatives from all business lines, our quality focus business model ensures we adhere to the idea of a single quality standard that applies to all markets. This has helped us put in place a well-defined and documented quality management structure to ensure that systems, facilities, and processes are planned and are in sync with the global standards. We also have well designated facilities and well-trained personnel and procedures available for sampling, inspecting, and testing of raw materials, packing materials, intermediates, technical and formulation products and monitoring of environmental conditions. These stringent processes not only helps us in gaining the trust of our farmers but also enhances the acceptability of our exiting and upcoming products.

We have The Company's state-of-the-art lab has been equipped with sophisticated instruments, enabling it to meet the stringent quality requirement of different geographies. Quality certifications such as NABL for the QC labs at three major plants define the quality consciousness of IIL.

What lends us edge

Backward Integration

- Helps to reduces dependency on imports/ third party for key raw materials
- Helps save us in procurement and logistics cost
- Helps in the reduction of waste generation
- Helps us in controlling the supply chain process in a more efficient manner
- Helps us ensure a timely supply of raw material for production
- Helps us optimize cost

OUR BUSINESS MODEL

Enabling us to Rise Together

Inputs

Financial

Financial capital helps us in investing in key business activities such as R&D and manufacturing capabilities. This in turn enables us to expand our product portfolio, technical capabilities, geographic reach and manufacturing capacity.

₹867.21 crore
Equity

₹35.98 crore
Cash and cash equivalents

₹71 crore
Capital expenditure

Manufacturing capital

An optimal use of our manufacturing capital enables us to offer one of the widest ranges of biological and chemicals crop protection solutions at an affordable cause for sustainable agriculture.

2 Technical 6 Formulation
Manufacturing plants

Annual capacity (in MTPA):
30,900 KLPA Liquid
80,750 MTPA Granules
24,770 MTPA Powder
13,800 MTPA Active Ingredient & Bulk

Intellectual capital

Thanks to our robust R&D facilities, proprietary knowledge and market insight, we have been able to provide innovative and sustainable solutions to the farmer community.

4
Number of R&D units

60
R&D team strength

18
Patents received

12
Patents due for grant

Human capital

We have been able to stay ahead of the curve and drive consistent progress thanks to the collective skills and experience of our workforce.

1,400
Number of employees

Social & relationship capital

Our relationships with our stakeholders in the value-chain and communities around us ensure our long-term value-creation and sustainability.

6,000+
Number of distributors

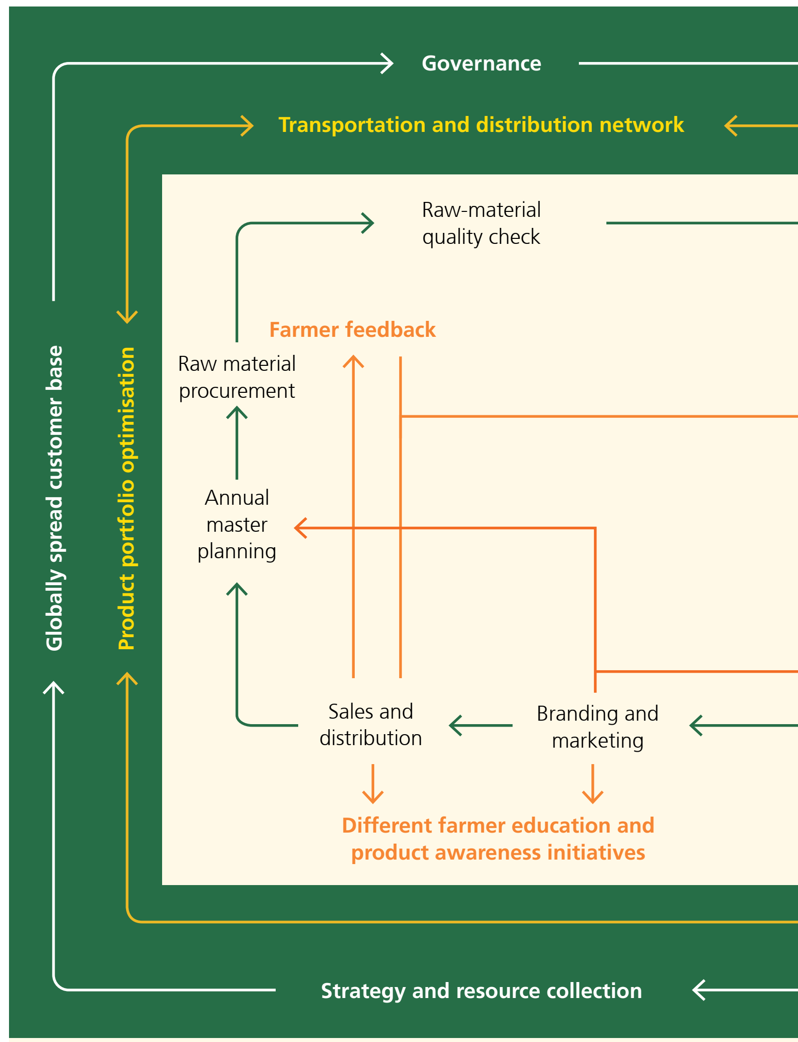
70,000+
Number of retailers

₹269.94 lacs
CSR spend

Natural capital

We are in a consistent lookout for opportunities to minimise wastage of key natural resources used in our business and to reduce our overall environmental footprint.

Business process



Key enablers of our value creation business process

Research & Development
It helps us develop new products and quality enhancement of the existing product line

Quality Management
It helps us ensure the desired product quality at input and output level.

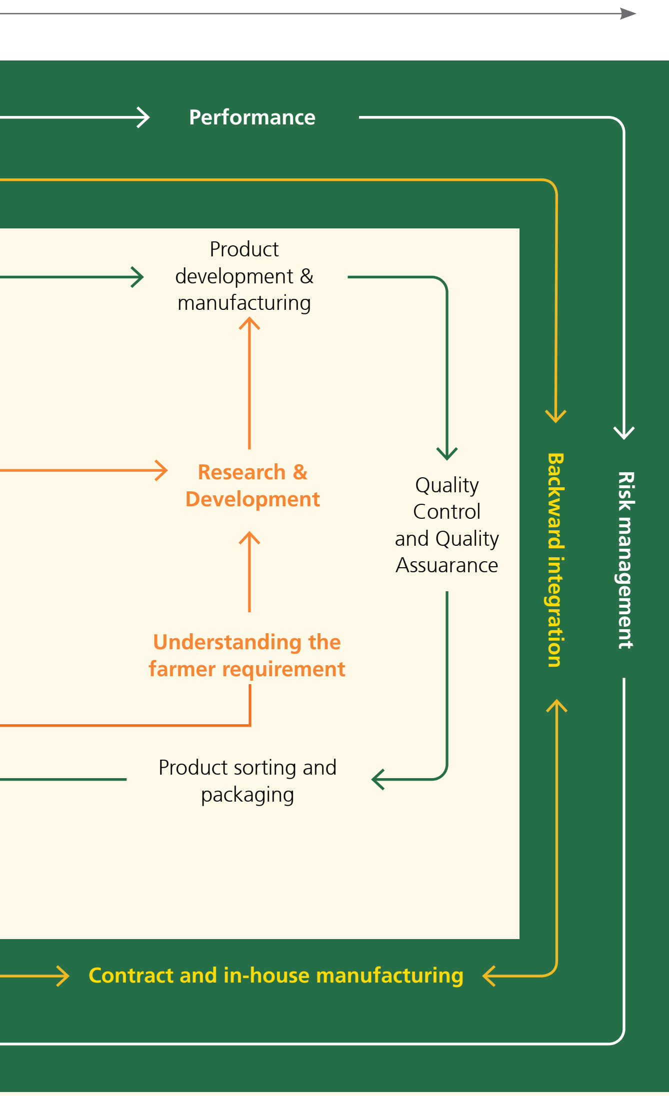
Other key business functions

Manufacturing

Branding & Marketing

Finance & accounts

A synchronized interplay of the various capitals employed in the business helps us in generating the desired outcome and ensures continuous and consistent value creation for our different stakeholders. Despite being present in a competitive business environment, our integrated business model helps us in creating value at every point and for every stakeholder. Thereby, ensuring that we remain focused on our core vision of sustainable growth for all.



Output

- Herbicides
- Fungicides
- Insecticides
- Biologicals
- Introduced 3 new products in FY22 to boost our portfolio
- 18 patents received

Value created

For shareholders
We have delivered sustainable and profitable business growth over time

For the farmers
We intend to provide the farmers with sustainable and innovative products to make them resilient and enhance their income

For our people
We strive to provide our people with equal opportunities for their growth and career development

For our dealers and suppliers
We intend to supply our dealers and suppliers with innovative products and in a timely manner. We also engage and collaborate with them for knowledge enhancement and new product development

For our communities
We undertake different CSR activities with an aim of ensuring holistic improvement of the communities around us

Outcomes

Performance

₹1,503.96 crore
Revenue
(5.90% growth from the previous year)

₹169.68 crore
EBIDTA
(11.39% growth from the previous year)

₹107.02 crore
PAT
(14.54% growth from the previous year)

₹53.97
EPS
(19.37% growth from the previous year)

People
- Created direct and indirect employment
- Improved employee competence through regular training
- Enhanced customer loyalty and strengthened relationship
- Gained higher employee productivity
- Stronger talent management and retention

Planet
- More efficient processes enable us to use fewer natural resources, reduce our carbon footprint and reuse natural resources
- Working towards reducing water consumption through process improvement
- Working towards reusing a large proportion of our daily water consumption
- Working towards meeting a substantial quantum of our energy requirement through our newly installed solar power plant

Information Technology (IT)
It helps us accumulate and disseminate information in real-time across the organisation.

Human Resources
Utilising the expertise and experience of our people we intend to achieve our mission

Secretarial and legal

CSR

Environment management

OUR INVESTMENT PROPOSITIONS

What makes IIL an interesting investment story?

Our business philosophy has been consistent for many years: investing for the long term while delivering cash-generative profit growth.

Our financial strength and strategic tie-ups with renowned international players are expected to propel our growth. Our investments in technology, equipment, and agile business processes are likely to accelerate our growth over the sustainable future.

We believe there are a few simple and interesting reasons to make Insecticides (India) Limited an interesting investment story.

Unique product development strategy

Focusing keenly on research and development, we embarked on developing and delivering products which are sustainable, effective and yet cost efficient. Through our products we intend to provide the marginal farmers access to world class products at a competitive price. Further, we focused on developing our organic product (biologicals) portfolio to cater the evolving need for environment friendly products.

Sustainable operations

The manufacturing of agrochemicals requires large water quantities. Being a responsible company, we have regularly undertaken various initiatives, benchmarked to global best practices, to reduce our water consumption and reuse consumed water across all our facilities. Additionally, we are undertaking measures to reduce our carbon footprint by adopting the best sustainability practices, such as usage solar energy.

A well-invested infrastructure

Over the years, we have consistently built our infrastructure with the addition of new and updated machineries and technology. Further, we focused on backward integration through our dedicated R&D to provide us with a consistent supply of required raw-materials and enable us to lead market growth. Across our key business segments, we continue to invest in the supply chain to support growth, efficiency and our sustainability targets. Beyond the supply chain we are investing in both our digital capability and IT infrastructure to ensure that the business is future fit to realise our growth ambitions.

Partnering for growth

We have quickly moved up the agrochemicals value chain by undertaking strategic licensing, tie-ups and joint ventures with renowned global players. We regularly collaborated with several global agrochemicals companies to leverage their expertise and introduce world class products in our domestic markets. This has helped significantly in enhancing our portfolio.

Our international collaborations

Nissan Chemical CORPORATION

Nissan Chemical Corporation, Japan

Marketing tie-up for speciality products

OAT Agrio Co., Ltd.

OAT Agrio Company Limited, Japan

- R&D JV for innovation and discovery of new molecules under the name of OAT & IIL India Laboratories Pvt. Ltd.
- Marketing tie-up for specialty products

MOMENTIVE

Momentive, USA

Marketing tie-up for speciality products

NIHON NOHYAKU ANDICA S.A.S.

Nihon Nohyaku Company Limited, Japan

Marketing tie-up for speciality products

A sustainable business

Mostly the products manufactured by IIL are consumed by the agriculture industry, who have the liability to ensure the food security of the rising global population. Global population is on a constant rise, but the arable is on a constant decline. Thus, it is all the more important today to create a sustainable and robust food system that can withstand the perils of the climate change or any other crisis. Crop protection products manufactured by IIL help the farmers across the globe to protect their crops and enhance their yield; and ensure food security for the global population. As the age of the Human is increasing, so is the change in the food requirement. Farmers has to meet this challange with support of agri input Industry.

A well-financed and cash generative business

IIL has consistently focused on building a strong financial platform. Keeping this in mind, we reoriented our portfolio with a greater focus of higher value products and also focused on cost optimisation. This strategy enabled us to grow our topline and bottom-line at a steady rate over the last few years. It made our business a cash generative one, helped us reduce our dependency on external funds for business expansion.

BUILDING STRONG RELATIONSHIPS

By communicating effectively

At IIL, we develop each and every product after rigorous research. But, in a competitive environment of ours, it is not just about manufacturing quality products. Communicating and connecting effectively with the end users is equally important. The reason being, it helps us in communicate with the farmer community about our product benefits and the benefits of using them.

Over the years, we have been successful in creating brands which have emerged to be aspirational while resonating the essence of the Company – ensuring the overall welfare of the farmer community. We have strategically streamlined our brand communications in line with the evolving industry trends and to cater to the needs of different geographies. With a focus on our legacy, we have redefined our communication strategy to create promising brands which remains true to its commitments. Through these brands and backed by our omni-channel communication strategy, we not only showcased the true mindset of IIL but also ensured that our brands and communications truly resonate the culture and the essence of IIL.

Our Brand Principles

- To bring synergetic benefits to farmers by providing a comprehensive range of crop protection and nutrition products
- Always evolving in the best interest of farmers
- Through eco-friendly production, we intend to develop environment friendly products
- Continuously adopting innovative measures to minimise cost
- Advancing towards sustainable agricultural practices
- Ultra-modern automated manufacturing for consistent quality and safety

Further, we have evolved our branding strategy to foster a sense of community through emotionally engaging content, virtual social gatherings and other creative initiatives that involve even the farmers. We also roped in the famous Bollywood celebrity actor **'Ajay Devgn'** as our Brand ambassador to propagate the properties and qualities of our products.

During FY22, we took our time to understand what's changing around us and why, as times and trends continue to evolve, and reoriented our brand communication to earn relevance and thrive in this new world. By consciously providing empathy and care during this crisis, we have built a foundation of goodwill and long-lasting emotional connect with the farmer communities.

With a 360-degree integrated marketing communications approach, along with the traditional branding activities, we strategically focused on increasing our presence in the social and digital media platforms. At IIL, we focused on evolving our branding strategy from product-centric campaigns to socially relevant communications. Therefore, our memorable commercials have successfully struck an emotional chord with the target audience, driving conversations to inspire positive thinking and progressive behaviour.

Firstly, to imprint a lasting brand recall across diverse customer segments across geographies

Secondly, to build a well thoughtout and imagantive media strategy to communicate with its existing and propestive customers

"Har Kadam, Hum Kadam"

#HarKadamHumKadam

A unique marketing campaign with an emotionally connecting message showcasing how farming in India is changing, and the role played by our products in this transformation. We also showcased how our R&D centre has played a pivotal role in developing products that help farmers in increasing the overall productivity. Further, tried to communicate with the farmers with our products, which include biological and chemical molecules that take care of diseases, insects, weeds and also improve the fertility of the soil, thus increasing productivity.

Campaign's impact

11 lakh+

Views on YouTube

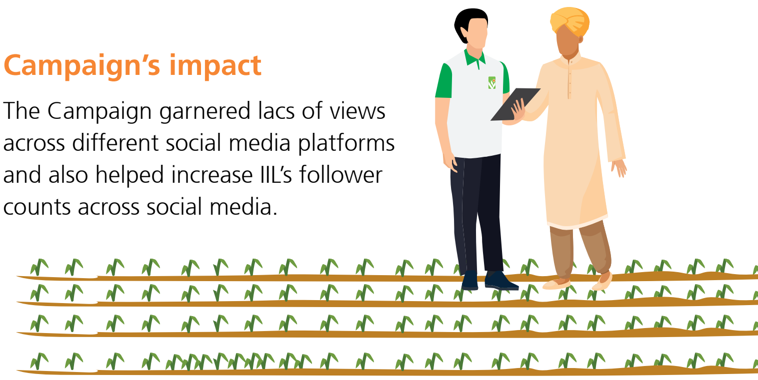
Insecticides Jaroori Hai

#InsecticidesJarooriHai

A revolutionary digital campaign introduced by IIL through the IIL Foundation, the campaign aims to bust myths regarding the usage of insecticides by providing authentic information about farming, associated hurdles, and how a farmer can overcome them. Launched only across different digital media platforms, such as Facebook and YouTube channel, the campaign brought together the stalwarts of the Indian agriculture industry and the nation's farmer community to educate our farmers about the various crop diseases and the judicious use of insecticides to safeguard their crop.

Campaign's impact

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



Print media

Print, likewise, remains an ever-important medium of advertising for the Company. IIL targeted its promotional campaigns at select publications, including regional ones, to reach our target consumer base. Keeping in mind that the Indian agriculture industry, IIL ensured an advertising presence in select regional and national dallies and magazines.

Insecticides Jaroori Hai's Hero Campaign

A series of unique campaigns to bust myths around the usage of insecticides and other agrochemicals in the crops for better quality and quantity.

Crop Biography Campaign

A campaign showcasing the important stages of the crop protection, the insects which attack crops during which stage and how to protect the crops.

Know your Farm Enemies Campaign

An awareness-driven campaign related to the insects and pests that harm the crops and also the ways by which one can protect the crops from the pest attack.

Other key publications

This is how IIL continued to enhance its digital presence in F22

Through strategic investment in different digital marketing initiatives and social media drives

Create awareness about our products by amplifying our reach on the digital platform through targeted advertising

By forming a dedicated team of professionals to build capabilities and devise effective media strategy for enhancing its digital presence

By creating specialized content targeting different customer segment

Through tie-ups with different social media celebrities

By releasing promotional videos on YouTube and other social media platforms

GROWING TOGETHER

By building our Brand equity

As one of the country's largest crop protection and nutrition companies, our emphasis has been to build brands which are our strategic assets; we make sure these brands connect with our consumers not only rationally but also emotionally and deliver exceptional experiences to our consumers.

In sync with this strategy, the Company roped in Bollywood's versatile superstar Ajay Devgn as their brand ambassador. With the mass appeal and connect the superstar has with the Indian audience, especially rural, the Company intends to use this connection to spread the message of judicious use of agrochemicals besides communicating about their products and boosting farmer awareness in India to the grassroots level.

India's most trusted crop protection company unveils a new face #IIL #AjayDevgn.

Message from the superstar

"I am looking forward to working with Insecticides (India) Ltd. I am pleased to be associated with a company that works to improve the lives of farmers by their innovative products. IIL is a well-known crop protection and nutrition brand founded on the principles of quality, integrity, and commitment to Indian agriculture. Given the strong culture of invention and the ongoing need to adapt to shifting preferences, there was a lot of common ground. I'm equally excited about our journey together."

- Ajay Devgn, IIL Brand Ambassador

Commenting on this stride, Mr. Rajesh Kumar Aggarwal, Managing Director, IIL, said, "We are excited to have Bollywood's superstar Mr. Ajay Devgn as part of our IIL Family. IIL believes in bringing in the right technology within the reach of every small and marginal farmer. Ajay Devgn has established himself as one of the India's most popular and versatile actors with fierce performances and resonates well with our products. With IIL entering the next phase of growth, we are sure that his popularity, along with the credibility of our products, will help us to increase the penetration of our communication in our existing markets as well as newer markets."

Reward and Recognition

Krishi Nayak Award

Agriculture Minister Shri Narendra Singh Tomar and Shamsher Singh Managing Editor Zee Hindustan facilitating Mr. Rajesh Kumar Aggarwal, Managing Director, IIL with Krishi Nayak Award

PMFAI Award

Mr. Rajesh Kumar Aggarwal, Managing Director, IIL receiving the PMFAI Award for the Company of the Year (Large scale) - Runners-up

GROWING TOGETHER

Winning with our people

Our people are the greatest strength and contributors to our sustained growth and success over the years. Being a responsible company means being a responsible employer. The talent, commitment, skill and enthusiasm of our team makes our business what it is.

We believe in talent development and investing in our people. Staying true to our ethos – 'Together We Rise', we invest in a unique working environment that enables our people and our business to flourish. We strive to create for them a great workplace and inspire them continuously to innovate and bring greater value to our customers and the environment.

Our talent management process focuses on developing, promoting, nurturing, and retaining the best talent from the industry. The aim to maintain high quality standards stems from an ever-increasing commitment to employee's professional development. Employee development is important to us because it improves our people's productivity and capabilities, as well as their ability to stay updated in the changing business environment.

We launched many Employee Engagement Initiatives during the year to engage and associate with our people. Also, we conducted several online sessions with our employees involving health professional on how to keep oneself and one's family safe during this turbulent time. These initiatives helped create a bond with our people and create a healthy working environment, be it at home or office.

36 years
Average age of permanent workforce

262
Number of new hires in FY22

27%
Percentage of employees who have been associated with IIL for over 10 years

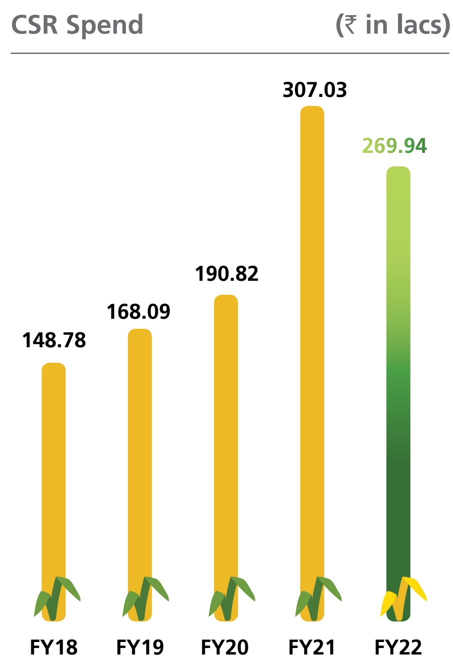
48 days
Number of training days at our plants

GROWING TOGETHER

Caring for communities

IIL carries out its CSR and Community help activities through its CSR wing called IIL Foundation. IIL Foundation strives to be a responsible corporate citizen by understanding the needs and expectations of local communities. We participate in various local/ regional programs around the communities, through IIL Foundation, where we operate to build a more equitable society through our initiatives for a sustainable living, empowering communities, farmer education, and educational advancement program. IIL Foundation's primary goal is to undertake and execute various CSR activities in the rural areas.

We want the communities in which we operate to thrive and, through our community, support programmes, we offer a variety of mechanisms by which we intend to pay back to our communities and create a sustainable eco-system.



Key initiatives undertaken in FY22

Joined hand with FAST for digital intervention for the farmers

In a move to up the game in Covid times, IIL through its CSR wing IIL Foundation collaborated with state-based Foundation for Agriculture Sustainability and Transformation (FAST) to help and provide regular information and advice to the farmers on the current situation of the crop weather and infestation through WhatsApp. Primarily planned for the Telegu-speaking farmers of Telangana, Andhra Pradesh, and parts of Karnataka, the aim is to provide real-time information to the farmers for their benefit. Primary interventions of the program are WhatsApp groups with close to 400 direct recipients who receive about 1500 customized messages on a regular basis. Experts associated with these groups include agricultural officers, input dealers, input company's representatives, NGOs, FPOs.

Partnered with Rajasthan Government in Ghar Ghar Aushdhi Yojna

IIL through its CSR wing partnered in the Rajasthan Government's Ghar Ghar Aushidhi Yojna scheme. Under this scheme the government aims to provide eight medicinal plants such as Tulsi, Giloy, Kalmegh and Ashwagandha at no cost three times in five years to all 1.26 crore families of Rajasthan. Presently implemented in the Alwar district only, IIL Foundation has taken the onus of supplying nearly 70,000 planters with the saplings safely and ensuring that the saplings are not neglected due to lack of care and time taken for planting them.

Healthcare initiatives

Enabling access to affordable healthcare is a prime intervention undertaken by IIL Foundation for our farmer communities in and around our plant sites. Keeping in mind the growing concern surrounding Covid-19, the Company conducted organised an inoculation camp in Chopanki for the residents of Chopanki & Jodia Mev in Alwar district, and vaccinated over 500 adults against the Covid-19 virus.

The camp was organised in association with City Nursing Home, Bhiwadi who had deployed a team of 4 doctors and nurses for vaccine administration and post-vaccination observation. All attendees were administered Covishield vaccine and ~70% of the people belonged to the age group of 35-50 years.

Signing of MoU with SVPUAT, Meerut, UP

To foster the farmer awareness and educate them about the latest technology, IIL Foundation has signed an MoU with SVPUAT, Meerut, UP for a period of 3 years, where a joint team will work towards a well-defined goal of educating the farmers about the latest technology.

IIL Product launch

GROWING TOGETHER

With our experienced BOD

C C

Mr. H.C. Aggarwal
Chairman

C M M

Mr. Rajesh Kumar Aggarwal
Managing Director

M

Mrs. Nikunj Aggarwal
Whole Time Director

C M M M

Mr. Virjesh Kumar Gupta
Independent Director

M M

Mr. Navin Shah
Independent Director

C M M

Mr. Jayaraman Swaminathan
Independent Director

C M M

Mrs. Praveen Gupta
Independent Director

Key Management Personnel

M

Mr. Sandeep Kumar Aggarwal
Chief Financial Officer

Mr. Sandeep Kumar
Company Secretary &
Chief Compliance Officer

Board Comittees

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

C Chairman

M Member

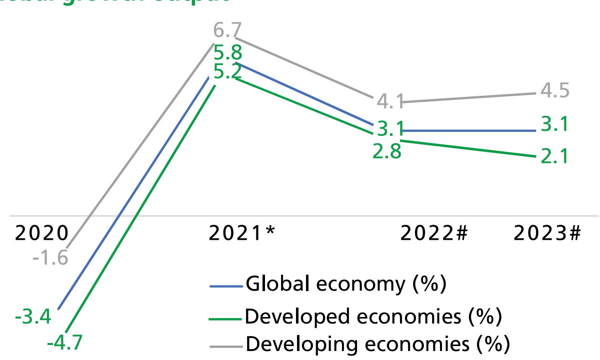
Management Discussion and Analysis

Global economy overview

The global economy was on the path of a recovery in 2021 as the economy's started opening up and travel restrictions were relaxed post the pandemic. Stepping into 2022, the global economic performance continues to be influenced by Covid-19, as well as supply issues and inflation pressures. However, the global growth prospects have weakened significantly owing to the start of the war in Ukraine. After rebounding to an estimated 5.5% in 2021, the economy global growth is expected to have decelerated markedly in 2022 to 3.1%, reflecting the economic impact of the geopolitical tension and continued COVID-19 flare-ups, diminished fiscal support and lingering supply bottlenecks.

The war in Ukraine has upended the fragile recovery from the pandemic, triggering a devastating humanitarian crisis in Europe, pushing up food and commodity prices and exacerbating inflationary pressures worldwide. Geopolitical and economic uncertainties are dampening business confidence and investment and further weakening short-term economic prospects. Against this backdrop, the global economy is now projected to grow by only 3.1% in 2022 and 2023.

Global growth output



(Source: World Economic Situation and Prospects as of mid-2022, by the United Nations Department of Economic and Social Affairs) [*Partially estimated | #UN DESA forecasts]

Regional outlook

I. **East Asia and Pacific:** Growth is projected to decelerate to 5.1% in 2022 before increasing slightly to 5.2% in 2023.

II. **Europe and Central Asia:** Growth is forecasted to slow down to 3% in 2022 and 2.9% in 2023.

III. **Latin America and the Caribbean:** Growth is projected to slow down to 2.6% in 2022 before increasing slightly to 2.7% in 2023.

IV. **The Middle East and North Africa:** Growth is forecasted to accelerate to 4.4% in 2022 before slowing to 3.4% in 2023.

V. **South Asia:** Growth is projected to accelerate to 7.6% in 2022 before slowing down to 6.0% in 2023.

VI. **Sub-Saharan Africa:** Growth is forecasted to accelerate slightly to 3.6% in 2022 and rise further to 3.8% in 2023.

In emerging and developing economies, growth is expected to drop from 6.3% in 2021 to 4.6% in 2022 and 4.4% in 2023. By 2023, all advanced economies are expected to achieve a full output recovery; yet output in emerging and developing economies will remain 4% below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: the output of fragile and conflict-affected economies will be 7.5% below its pre-pandemic trend and the output of small island states would be 8.5% below.

Outlook

Steady deployment of vaccination programs across economies and relaxation of pandemic-related lockdowns in many countries helped boost demand. This has led to the global economy surge by more than 5% in 2021, its strongest post-recession pace in nearly eight decades. However, the resurgence of Covid-19 waves driven by the rapid spread of the Omicron variant and Russia's invasion of Ukraine carries enormous risks for a world economy that's yet to fully recover from the pandemic shock. The pandemic has left the global economy with two key points of vulnerability — high inflation and jittery financial markets. Aftershocks from the war could easily worsen both.

Further, according to economists in most countries, excess demand is driven mostly by constrained supply, not strong demand, resulting in the dominance of cost-push inflation. This is a type of inflation that is not being welcomed as it squeezes profit margins, erodes actual household income, and tends to self-correct when demand is weak. Thus, the global growth outlook, therefore, remains susceptible to a lingering pandemic, persistent labor market challenges, ongoing supply chain disruptions, rising inflation, and the outcome of the Russia-Ukraine war. As an ongoing economic impact of the war, rising crude oil prices are likely to have a significant toll on the oil-importing nations. Further, the recently imposed sanctions on Russia are expected to have a substantial impact on the global economy and financial markets, with significant spillover to other countries.

Indian economy overview

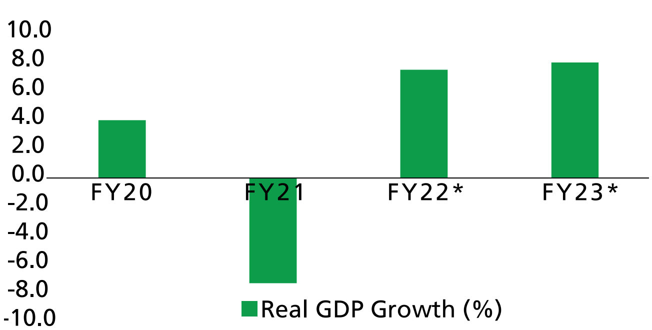
The Indian economy emerged as one of the fastest growing economies, as India continued to make remarkable economic progress since 2000. According to the government, between 2011 and 2015, over 90 million people have been lifted out of extreme poverty. After growing at very high rates for years, India's economy had already begun to slow down before the onset of the COVID-19 pandemic. Between FY17 and FY20, growth decelerated from 8.3% to 4.0%, with weaknesses in the financial sector compounded by a decline in the growth of private consumption. However, the Covid-19 pandemic led

India's economy into a contraction of 7.3% in FY21, despite well-crafted fiscal and monetary policy support.

Following the deadly 'second wave,' growth in FY22 is expected to be around 7.5%. According to Moody's, India's economic growth projection for calender year 2022 is expected to be around 8.8% from the previously forecasted 9.1% earlier, citing high inflation. India is on the path to a sustained economic recovery, thanks to the vigorous countrywide drive to deliver safe and wide-reaching Covid-19 vaccinations, which helped reduce the severity of the third pandemic wave with minimal disruptions to mobility and economic activity. However, owing to the onset of the Russia-Ukraine conflict, the crisis has clouded India's growth outlook. Rise in crude oil prices, food and fertilizer prices is likely to weigh on household finances and spending in the months ahead. Further, rate hike to prevent energy and food inflation from becoming more generalized is expected to slow the demand recovery's momentum. India imports vegetable oils, machines, fertilizers, chemicals from Ukraine. India is the largest importer country for Ukraine. It imports crude oil, precious metals and stones, mineral fuels, weapons etc. from Russia. Due to present conflict various items which had been imported from Russia and Ukraine will be seriously impacted. Consumption demand, which has been a concern as the pandemic dented consumer finances and confidence, grew by 8.6% (YoY) – an enormous boost for the Indian economy. However, consumer spending lagged substantially from the pre–COVID-19 levels, suggesting that pandemic uncertainties are still weighing on consumers' confidence and ability to spend.

Agriculture and other related industries were the least affected during the pandemic. Strong sowing progress and abundant harvest increased output. Moreover, the rise in MSPs along with improvement in rice procurement augmented rural earnings.

Real GDP Growth



(Source: https://www.adb.org/news/indian-economy-grow-7-5-fy2022-8-fy2023)
[*Expected]

FDI investments in India

Foreign Direct Investment (FDI) is a critical enabler of any nation's economic growth, as it is a major non-debt financial resource. Foreign companies invest in India to take advantage of relatively lower wages, and special investment privileges viz. tax exemption. Foreign investment also connotes to achieving technical know-how and generating employment.

The Indian Government's favourable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. In recent years, the Government has taken many initiatives viz. relaxing FDI norms across sectors such as defense, PSU oil refineries, telecom, power exchanges, stock exchanges, etc.

However, owing to some recent adverse developments, India's total foreign direct investment inflow witnessed a decline in 2021 and stood at US$74.01 billion. It is 15% lower than its previous year's record US$87.55 billion, according to the data published by the Ministry of Commerce and Industry.

Outlook

According to the IMF, India's prospects for 2023 are marked up on expected improvements to credit growth and, subsequently, investment and consumption, building on better-than-anticipated performance of the financial sector. The GDP is expected to grow in real terms by 8% to 8.5% in 2022-23. The industry expects the coming year to see an increase in private sector investment with the financial system in sturdy shape to support the country's economic recovery. This projection is in line with the World Bank's and Asian Development Bank's recent predictions of 8.7% and 7.5% real GDP growth for FY23, respectively.

However, concerns surrounding the slow government spending to consolidate its expenses may pose a threat. India currently has the highest fiscal deficit among its peer nations and debt is at an all-time high. With the economy gradually coming out of the pandemic's shadow and showing signs of a steady recovery, pent-up demand will probably sustain the growth momentum. This shows there is probably a lesser need for a stimulus package from the government. Besides, the government would like to build its capacity to respond to future adversities in case they arise. Another risk to the economy is the rising inflation rates. Recent spikes in inflation have concerned policymakers as pent-up demand rose faster than supply.

Indian Agriculture Industry

Backbone of the Indian economy, the Indian agriculture industry is the livelihood of over 50% of the nation's population. Over 54% of the nation's land categorized as arable. Amongst one of the leading producers of different agricultural commodities in terms of volume, such as rice, wheat, cotton, sugar, horticulture, and dairy, among others, the Indian agriculture industry and related sectors today contributes nearly 20%.

Yes, it is true that the agriculture's share in India's economy has progressively declined over the years, but during the covid period the agriculture industry showcased its relevance. While most of the other industries witnessed a de-growth in the last couple of years, the Indian agriculture industry was one of the very few industries which witnessed positive growth despite the challenges.

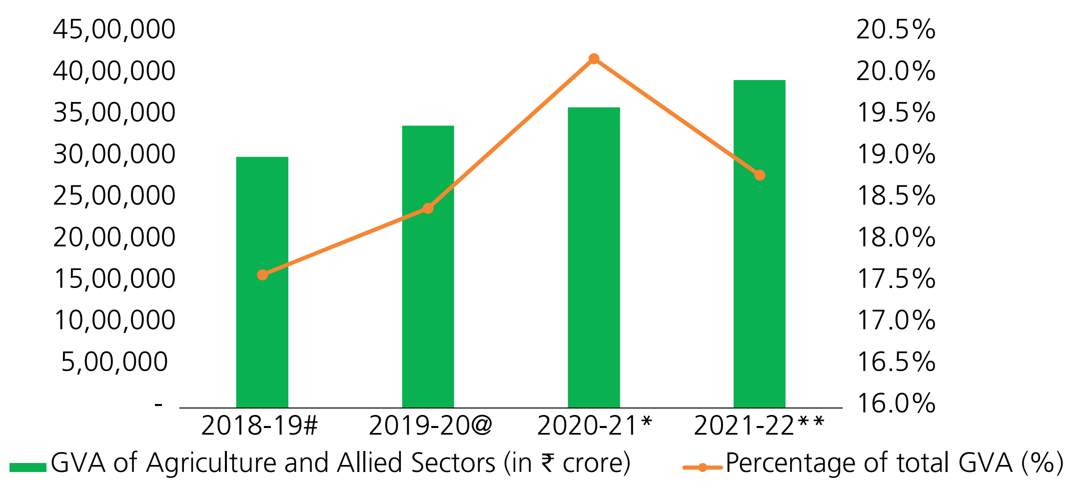
India's Agri production in FY22

Crops	2nd advanced estimates*	3rd advanced estimates**	% change (to be showcased as a graph)
Wheat	111.32	106.41	-4.41%
Rice	127.93	129.66	1.35%
Cotton***	34.06	31.54	-7.40%
Pulses	26.96	27.75	2.93
Oilseeds	37.14	38.49	3.63
Coarse cereals	49.86	50.7	1.68
Sugarcane	414.04	430.49	3.97
Jute & Mesta#	9.57	10.22	6.79

(Source: https://www.business-standard.com/article/economy-policy/india-s-farm-sector-clocks-4-1-growth-in-q4-of-fy22-shows-data-122060100036_1.html)
[*Released on Feb 16, 2022 | **Released on May 19, 2022 | ***in million bales; 1 bale = 170 kg | #in million bales; 1 bale = 180 kg]

Valued at around ₹63,506 billion in 2020, the market value of the Indian agriculture and allied industry is expected to reach a value of ₹1,25,350 billion by 2026, exhibiting a CAGR of 12% during 2021-2026. As per 1st advance estimates of National Income FY22, the percentage share of GVA of Agriculture and Allied Sectors (at current prices) is 18.8% of the total GVA. Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%.

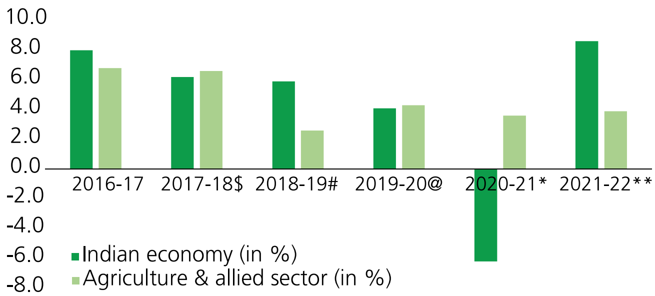
Gross Value Added (GVA) of Agriculture & Allied Sector



(Source: Annual Report, 2021-22, Department of Agriculture & Farmers Welfare - Ministry of Agriculture & Farmers Welfare)
Second Revised Estimate @ First Revised Estimates,
* As per Provisional Estimates of 2021
**As per First Advance Estimates of National Income, 2021-22 released on 7th, Jan 2022

Poised for strong growth, the Indian farm sector grew at a healthy 4.1% rate in the fourth quarter of FY22 (at constant prices), up from 2.8% during the corresponding period of the previous year. However, for the full year i.e. FY22, gross value added (GVA) for agriculture and allied sector is expected to be marginally less than FY21 at 3% because of a drop in wheat production. The Indian agricultural sector has undergone several transformations over the past few decades. These include - rising penetration of the organized sector, growth in contract farming, agriculture becoming more mechanized, easy loan facilities, rise of exports, use of agrochemicals and high yielding seeds, and an increasing role of the private sector in processing, branding and marketing, etc.

Growth in GVA of Agriculture and Allied Sectors and the economy



(Source: Annual Report, 2021-22, Department of Agriculture & Farmers Welfare - Ministry of Agriculture & Farmers Welfare)
$ Third Revised Estimates | # Second Revised Estimate | @ First Revised Estimates
* As per Provisional Estimates of 2021 | **As per First Advance Estimates of National Income, 2021-22 released on 7th, Jan 2022

Key challenges faced by the Indian Agriculture industry/ Threads

Instability: Agriculture in India is largely dependent on the monsoon weather. As a result, production of food-grains fluctuates year after year. A year of abundant output of cereals is often followed by a year of acute shortage.

Cropping pattern: The crops that are grown in India are divided into two broad categories: food crops and non-food crops. While the former comprises food-grains, sugarcane and other crops such as cereals, pulses, fruits, vegetables and oilseeds.

Sub-Division and fragmentation of holding: Due to the growth of population and breakdown of the joint family system, there has occurred continuous sub-division of agricultural land into smaller and smaller plots. At times, small farmers are forced to sell a portion of their land to repay their debt. This creates further sub-division of land.

Conditions of agricultural labourers: The conditions of most agricultural labourers in India are far from satisfactory. There is also the problem of surplus labour or disguised unemployment. This pushes the wage rates below the subsistence levels.

Manures, fertilizers and biocides: Indian soils have been used for growing crops over thousands of years without caring much for replenishing. This has led to depletion and exhaustion of soils resulting in their low productivity. The average yields of almost all the crops are low. This is a serious problem which can be solved by using more manures and fertilizers.

Irrigation: Although India is the second largest irrigated country of the world after China, only one-third of the cropped area is under irrigation. Irrigation is the most important agricultural input in a tropical monsoon country like India where rainfall is uncertain, unreliable and erratic India cannot achieve sustained progress in agriculture unless and until more than half of the cropped area is brought under assured irrigation.

Lack of mechanisation: In spite of the large-scale mechanisation of agriculture in some parts of the country, most of the agricultural operations in larger parts are carried on by human hand using simple and conventional tools and implements. Little use of machines is made in ploughing, sowing, irrigating, thinning and pruning, weeding, harvesting threshing and transporting the crops.

Agricultural marketing: Agricultural marketing still continues to be in an awful shape in rural India. In the absence of sound marketing facilities, the farmers have to depend upon local traders and middlemen for the disposal of their farm produce which is sold at low price.

Inadequate transport: One of the main handicaps with Indian agriculture is the lack of cheap and efficient means of transportation. Even at present there are lakhs of villages which needs to be connected with main roads or with market centres.

Growth drivers of the Indian agriculture industry/ Opportunities

- India is the second-largest populated country, accounting for 18% of the total world population. With an increase in the population, the need for various agricultural products is expected to grow substantially over the years. This rise in demand is likely to prompt the farmers to adopt enhanced technologies and methods in dairy, fisheries and livestock in order to meet the diversified food needs of the people.

- Over the past few years, India's GDP has grown at a steady pace, resulting in a steady rise in the disposable incomes of the consumers. Rise in disposable income has led to the increase in the purchasing power of customers, creating a positive impact on the domestic demand of agriculture products. It has enabled farmers to invest more in advanced agricultural infrastructure such as irrigation facilities, quality seeds, equipment's, fertilizers, warehousing, and cold storage, among others.

- Rising Government support is expected to play a pivotal role in the growth of the Indian agriculture sector as agriculture remains a primary means of livelihood for more than 50% to 60% of the India's total population. The Government has taken different measures such as subsidies to farmers on water, power, agricultural equipment, fertilizers and hybrid seeds, among others to support the agricultural sector.

- The emergence of modern retail has also been an important catalyst for the agriculture industry. Modern retail helps in the elimination of middle men from the distribution chain, thereby providing better remuneration to the farmers. Organized retail enables the farmers to directly sell their produce to modern organized retail networks, thereby helping them to get a better end at better price.

- The establishment of rural banking and credit system has also played a pivotal role in the growth of the Indian agriculture sector. The transformation of agriculture from subsistence to commercialisation requires investment on the farm, along with the use of modern inputs. With the availability of credit, the constraint on certain inputs like seed, fertilizer, pesticides, hired labour, etc. has been reduced.

Indian agrochemicals industry

The fifth largest producer and the fourth largest exporter of agrochemicals, the Indian agrochemicals industry is at its very nascent stage compared to other developed nations owing to its low per hectare agrochemicals consumption. Valued at around $4.1 billion, the Indian agrochemicals industry is expected to grow at a growth rate of 8.3% to reach $8.1 billion by 2025*.

Presently, India's per hectare agrochemicals consumption stood at 0.65 kg compared to 4.58 kg per hectare in advanced nations like the USA. This low consumption of agrochemicals in one of the reasons for the low yield per hectare production of agricultural products in India. Also, around 25 percent of the total crops produced in India are destroyed because of pest attack. Therefore, agrochemicals can play an important role in curbing the pest attacks this leading to increased productivity.

India is currently home to ~18% of the world population, whereas covers only 2% of the landmass. India's growing population is likely to create an ever-increasing dietary need for the population. With the arable land coming down, over the last few years, the industry witnessed a greater need to increase the per hectare production, which can be done by efficient use of Agri Inputs.

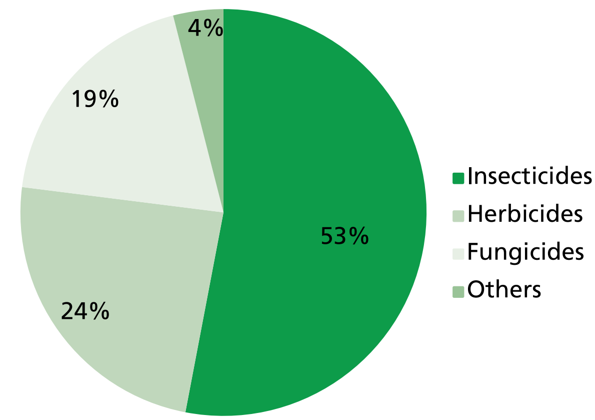
Further, the Indian Government with an eye on increasing the production of agricultural products has launched various schemes which is likely to propel the use of agrochemicals. There has been a lot of awareness amongst the farmers regarding the use of agrochemicals, and the right way for its applications. Also, it has been one of the key objectives of the Prime Minister of India Narendra Modi to "Double farmers income by 2022.' Thus, there will be a definite increase in consumption of agrochemicals and soil nutrients.

Types of Agrochemicals and its usage

Insecticides	• Control insect pests, which reduce crop yields and quality
Fungicides	• Prevent and cures fungal plant diseases
Herbicides	• Prevents or reduces weeds, which hamper crop growth and harvest

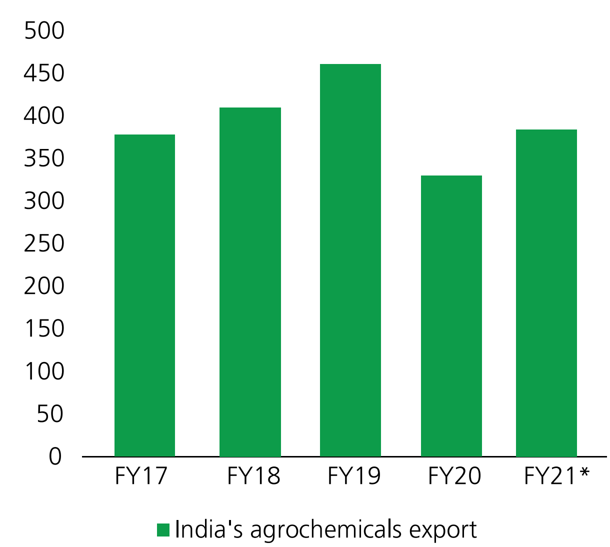
*https://ficci.in/events/25397/ISP/Presentation_PwC_Agrochem.pdf

Indian agrochemicals market composition



The increasing demand for agricultural products leads to an increase in the use of agricultural chemicals in India for high yields production. Out of all agrochemicals, pesticides were in huge demand. The majority of the crop yields were wasted because of insect attack, which led to an increase in the use of pesticides in several crops. According to the Directorate of Plant Protection, Quarantine and Storage, pesticide consumption was increased by 4.1% from 2016 to 2020. In 2020, the total consumption of chemical pesticides was 58,336 million tons. At the states level, pesticides consumption was high in Maharashtra, followed by Uttar Pradesh and Punjab. Thus, the demand of agrochemicals would be ever increasing in view of increasing population and food demand; decreasing size of agriculture land because of urbanization; demand of quality agricultural product; regional economic growth, etc.

Indian agrochemicals exports (in 1,000 metric tons)



(Source: https://www.statista.com/statistics/1043410/india-agrochemicals-exports-volume/) [* April to December 2020]

The Indian agrochemicals export have grown sustainably over the years. During FY21, Indian agrochemical exports reached

US$ 3.6 billion from US$ 2.0 billion in FY16, after growing at CAGR of 12.7%. Among the export trading partners, Brazil occupied a lion share of ~25% of total agrochem exports, closely followed by USA (~18.0%), while Japan, Vietnam, and China representing amongst the top 5 exports destinations in FY21. Together, the top five export destinations accounted for ~52% of overall exports from India.

Growing trends in the Indian agrochemical industry

- Increasing focus towards digital avenues has improved decision making and enhanced traceability across the value chain
- Evolving models like direct selling through FPOs and direct-to-consumer (D2C) platforms like ecommerce are changing the entire ecosystem.
- Increasing focus on diversification into specialty nutrients products such as bio-fertilizers, bio-stimulants, micronutrients and bio pesticides, among others
- Increasing interest of farmers towards solutions like 'product as a service', mobile app based advisory, and market information, among others
- Specialty chemicals have come up as an attractive emerging area which has witnessed strong growth, new investments and capability enhancement among Indian agrochemical players.

Key challenges faced by the Indian agrichemicals industry

Lack of awareness

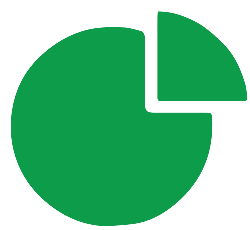
- Average farmer lacks scientific knowledge of agronomy and agrochemical usage
- High reliance on recommendations by agrochemical dealers
- Imbalance in agrochemical usage has been limiting the crop yields

High reliance on generic molecules

- Low adoption of specialty molecules because of unaffordability and awareness
- Preference towards the use of time-tested genetic molecules
- High R&D costs and complex registration process limiting improved products in the market

Regulatory challenges

- Complex, costly and time-consuming registration process
- Registration of new molecules remains a forte of large global players
- Only 273 molecules registered in India, compared to 473 molecules in EU and 527 molecules in Japan
- Limited efforts towards improving R&D infrastructure and registration process



Low usage of agrochemicals

- Only 0.6 kg/ha of agrochemical is used in India (6 times lower than the average usage in Asia & 4 times lower than global average)
- High reliance on generic and bulky products implies a significant gap between current and optimal usage

Key growth drivers of the Indian agrochemicals industry

Budgetary support: The Indian Government has continuously been providing budgetary support towards reviving the rural economy and increase the farmers' income. The government has proposed and announced several measures and initiatives in the recent budget for the improvement of the agriculture sector and the rural economy. In the future, the government is likely to continue extending its support with higher level of agri-credit and better infrastructural. Higher availability of rural bank credit can further enhance the demand for pesticides.

Higher share of off-patent molecules: The share of post patent products as compared to patent products and proprietary off-patent products have been increasing over the years. Agrochemicals worth USD 4.1 billion are expected to go off-patent by 2020. This is expected to provide significant export opportunities for Indian companies which have expertise in generic segment.

Increase in demand for food grains: India has 18% of the world's population. A rising population, need for food security and high emphasis on achieving food grain self-sufficiency is expected to drive the demand for crop protection chemicals.

Growth of horticulture: Fruits and vegetables account for nearly 90% of total horticulture production in the country. Growth in horticulture and floriculture industries is expected to create an enhanced demand for agrochemicals, especially fungicides. As India's diverse climate ensures production of all varieties of fresh fruits & vegetables, in the recent years the trend is catching up from production of food grains to horticulture, with production of horticulture consistently exceeding the production of food grains.

Rising incidence of pest attacks: One of the major challenges to ensure food security and good crop yields is the incidence of pests. On an average, agro-pests are estimated to cause 20%–25% yield losses in principle major food and cash crops. Pest attacks across various stages of crop life-cycles have severely impacted the farmer community. Due to the hot humid climatic conditions prevalent in India, the number of pest attacks has been increasing.

Use of agrochemicals can help mitigate the pest problem and increase crop output by 25%-50%. So far, the presence of more than 40,000 different types of insects has been recorded in India and of these about 1,000 have been listed as potential pests of economic plants, 500 pests have caused serious damage and 70 have been causing damage more often.

Changing climatic conditions: Erratic climatic conditions are affecting crop output. Farms need an array of inputs to protect crops from adverse climatic realities. Irregular monsoons coupled with lack of irrigation (60% of cultivable land is non-irrigated) results in low agricultural yield in India. Damp and warm weather conditions aid in breeding of weeds.

Limited farmland availability: Rapid urbanisation has had a detrimental impact on land availability. The pressure is therefore to increase yield per hectare, which can be achieved through increased usage of farm productivity-enhancing inputs like agrochemicals.

Increasing awareness: Educating the farmers about advantages of agrochemicals and its safe usage is likely to increase in demand. Companies are increasingly training farmers regarding the right use of agrochemicals in terms of quantity to be used, the right application methodology and appropriate chemicals to be used for identified pest problems.

Company overview

One of the fastest growing Indian agrochemicals company, Insecticides (India) Limited (IIL) is a front-line performer in India's crop protection market. Backed by a wide range of products and strong R&D capabilities, the Company is well poised to grow sustainably in the near future.

Over the years, the Company invested extensively in manufacturing capabilities and capacities. Subsequently, the Company positioned itself competitively with production abilities commensurate with the evolving industry needs. Backed by state-of-the-art manufacturing facilities, IIL's plants focus on optimized operations, resulting in cost leadership in the products of its presence and help the Company develop an integrated portfolio across key four product categories i.e. insecticides, herbicides, fungicides, biologicals and plant growth regulators (PGRs). Through its portfolio, the Company aims to service the domestic and export markets, thereby contributing towards the 'Make in India' initiative and empowering sustainable growth for a safer and brighter future.

Key strategic priorities for the Company

Grow and strengthen our presence across geographies

Deliver operational and organisational efficiencies

Disciplined allocation of capital and improved cash flow generation

Innovate offerings with the regular introduction of innovative biological products

Build a talented workforce

Our core strengths

Research – We, at IIL, believe innovation is the key to our success. From Innovation to invention, we are present in all categories of chemical and biological products.

Market leadership – The Company is growing sustainably to emerge a market leader in the growing Indian crop protection industry and aims to achieve domestic leadership in key segments such as insecticides, herbicides, fungicides, biologicals and plant growth regulators (PGRs).

Product portfolio – The product portfolio comprises niche products assuring integration and synergy in crop protection thereby emerging as a solution provider.

Strong collaborations – The Company has well-founded technical partnerships with renowned global players.

Synergies – The Company lays great emphasis on synergies, which has augmented its quest for leadership and helps to keep its competitive advantage.

Our operational excellence

We have integrated operations with processes ranging from manufacturing formulations to Active Ingredient (AI) to niche biologicals. This allows us flexibility to focus on manufacturing products that enjoy encouraging demand and offer better value. We leveraged this advantage to run our manufacturing units at optimum capacity utilisation to cater to the rising demand.

We undertake initiatives like improving process efficiencies and dedicated research and development on an ongoing basis to drive operational and product excellence. Our manufacturing is supported by robust inbound and outbound logistics and distribution network that ensure supply reliability. Further, we are focused on enhanced usage of data and analytics to take real-time and focused decisions.

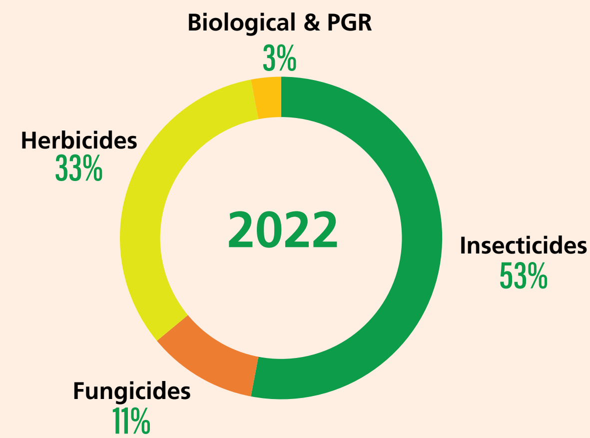
Branding and marketing

The Company operates in a competitive environment and, as such, inability of the company to differentiate it's product in the market or reach out to the correct audience may lead to loss of market share and impact profitability. Being a proactive business entity, we focused on a 360-degree brand-building exercise comprising successful brand promotions and engaging customers at multiple points, resulting in an integrated communication approach. We developed a common template for our product range and have developed common unique bottles to differentiate IIL in the market. Further, all our product packages have been tagged with a QR code to safeguard them from adulterated products and competition.

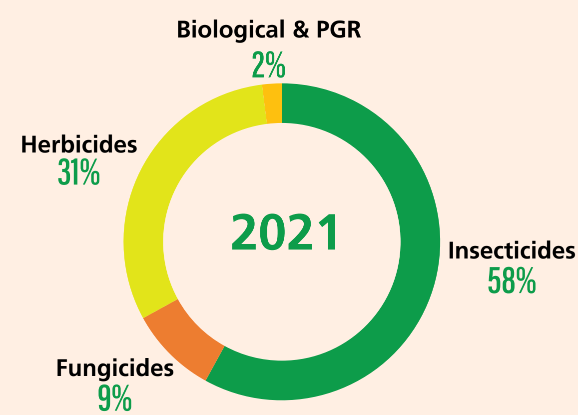
Segment-wise and product wise performance

The Company has a flexible manufacturing approach with a combination of in-house manufacturing as well as an outsourcing model supported by strong in-house R&D. The capacity of our multi-purpose plants ranges from grams to tonnes to multi-tonnes. We have a long-term experience of technical and formulations. Our R&D division are established at strategic locations within the proximity of Manufacturing Plants at Chopanki (Rajasthan), Shamli (UP) and Dahej (Gujarat) and supports our formulations and technical manufacturing segment.

NET SALES BY PRODUCT CATEGORY (IN %)
FY 2022



NET SALES BY PRODUCT CATEGORY (IN %)
FY 2021



Net sales by product category (in %)

	Insecticides	Herbicides	Fungicides	PGR
FY22	53%	33%	11%	3%
FY21	58%	31%	9%	2%

Research and development (R&D)

IIL's research & development (R&D) is an ever evolving centre for excellence and reinforces its belief in innovation and quality to magnify the Company's business aspiration. The focus of our R&D is to enhance innovation, process efficiency, product innovation and manufacturing effectiveness in compliance with IIL's core values and support the execution of business strategies.

R&D supports the activities of our various product segments by developing breakthrough technologies in new products, process chemistry, analytical chemistry, process intensification, and establishing technologies at a commercial scale. We have a highly experienced team of dedicated scientists focusing on the development of a variety of niche products in the crop protection. Established in JV with globally renowned R&D player from Japan as OAT & IIL India Laboratories Pvt. Ltd., the other three R&D centre have helped the Company develop innovative and niche products which have propelled the growth of the Company and partner the growth of the agriculture sector both in the field of Chemicals and Biologicals. The Company's three 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, HPLC MSMS and NMR among others.

IIL's R&D team comprises of 60 + Scientists from the field of Chemical and Biologicals.

Quality and compliance

We, at IIL, follow the philosophy of "Quality is key to Sustainability". We have established a well-defined validation and qualification structure to ensure that systems, facilities and processes are designed and developed in line with the needs of customers and to comply with the regulatory requirements of the countries where we are present. Quality risk management procedures are established and followed for internal audits, failure inquiries and implementation of permanent corrective measures.

We have also established training procedures, systems and internal SOPs for the training and development of our employees with respect to regulatory guidance, new product developments and internal procedures. We continue to improve our quality systems to ensure compliance with ever evolving regulations. We always strive to stay ahead of the curve to ensure compliance with regulations and meeting the evolving crop protection needs.

Finance review

Established two decades ago, IIL has developed a diverse product portfolio, with solid process expertise to provide solutions to the global farming community. In the last couple of years, the Company emphasized on being more agile, while it remained committed to its long-term sustainable growth strategies. In an uncertain macro-environment, the Company delivered a resilient performance during FY22. Further, we closely monitored the easing of travel restrictions across the globe and took many pre-emptive measures to streamline its logistics and supply chain.

In FY22, the Company delivered a commendable performance. This progress was aided by growth across the Company's strategic business units (SBUs). Revenue from operations, including other income, stood at ₹1,504 crores, higher by 5.90% compared to the previous year. EBITDA registered 11.39% gains over the previous year and stood at ₹169.67 crores. EBITDA margins came in at 11.28%, higher by 550 basis points (bps) year-on-year.

The Company undertook several enhancements in the product mix, improved realisations, and cost-reduction efforts that helped deliver better margins. Profit before Tax (PBT) came in at ₹141.37 crores, up by 18.30% from last year. Profit after Tax (PAT) stood at ₹107.42 crores, delivering a growth of 14.40% compared to the previous financial year.

Profit & loss statement review (₹ crore)

Year	FY22	FY21	Growth (in %)
Net Sales	1503.96	1420.23	18.30%
EBIDTA	169.68	152.33	11.39%
PBT	141.37	119.50	18.30%
PAT	107.43	93.90	14.40%

Revenue contribution from the domestic market stood at 91% while 9% came in from exports. The Company witnessed robust demand from key end-user industries. Steady demand in key export geographies resulted in higher export revenues. Domestic Revenues for FY22 stood at ₹1,373.20 crores, compared to ₹1,359.22 crores in FY21. Revenue contribution from exports stood at ₹130.76 crores, up by 114.36% compared to ₹60.99 crores in the previous financial year. The Company was swift to target key export geographies that were on the path of quick post-pandemic recovery. Steady revival in economic activity, combined with cost excellence initiatives undertaken by the Company, helped increase market share in the domestic markets. Resilient realization gains and healthy volume growth aided the financial performance.

	Domestic revenue*	Exports revenue*
FY21	96%	4%
FY22	91%	9%

*(as % of total revenue) (Create a pie)

During the year, the Company's efforts to add innovative products to its portfolio complemented its growth trajectory. End-user demand remained strong, and IIL capitalized on this opportunity by demonstrating agility throughout its operations.

Total borrowings of IIL as of 31st March, 2022 stood at ₹49.39 crore vis-à-vis ₹96.27 crore as on 31st March, 2021. The reduction in borrowings was largely because of repayment of long-term borrowings. Owing to this strategy of the Company, the Company's interest cost decreased by 0.26% during the year from ₹6.65 crore in FY21 to ₹6.63 crore in FY22. The debt-to- equity ratio was 0.06 in FY22 versus 0.11 in FY21.

As on March 31st March, 2022, the Company's share capital stood at ₹869.61 crores compared to ₹829.38 crores as of 31st March, 2021.

The Company's trade payable was of ₹323.79 crores as on March 31, 2022, as against ₹362.04 crores as at March 31, 2021. Decrease in trade payable was mainly results of better sales and collection from the market.

The Company's net fixed assets stood at ₹393.46 crores as at March 31, 2022, as against ₹339.86 crore as at March 31, 2021. The increase in the fixed assets was largely because of expansion at Dahej and Chopanki Sites.

The Company's trade receivable was of ₹288.91 crores as on March 31, 2022, as against ₹254.59 crores as at March 31, 2021. Increase in trade receivable was mainly from the sales in the last quarter..

Key ratios

Ratios	FY22#	FY21	Deviation
Debtors Turnover	5.53	4.95	11.91%
Inventory Turnover in days	1.74	1.81	(5.20%)
Interest coverage	22.25	20.36	9.28%
Current	1.97	1.86	6.28%
Debt Equity	0.06	0.12	(51.58%)*
Operating profit margin (EBIDTA) %	0.11%	0.11%	-
Net profit margin %	7.12%	6.58%	8.17%
Return on net worth %	12.34%	11.42%	8.10%*

* **Reasons for variance**

- Buy back of share capital along with reduction in borrowings has lead to decline in the ratio.
- Revenue and profit growth along with reduction in borrowings has resulted in an improvement in the ratio.

Risk management

Given the nature of our business, we are often exposed to various risks owing to the changing marketing dynamics and volatile external environment. There is an inherent business risk as the Indian agrochemicals industry is a little cyclic in the nature and, thereby we forayed into the international market to mitigate such risks. Here are some of the key risks and mitigation strategies adopted by the company:

Economic uncertainty: The prolong demand & supply disruption due to the pandemic significantly affected the growth prospects of the Indian and global economy. The recent second wave of COVID-19 has further dampened the growth potential. Therefore, it might have an adverse impact on the Company's operations.

Mitigation: The Company constantly monitors changes in the macroeconomic environment and assesses its potential impact on the company's operations. It enables IIL to respond swiftly to changing market trends and safeguard its operations against uncertainty. Further, the Company focused on safeguarding its business by building a strong relationship with the farmer community in India and abroad and also focused on expanding its order book by expanding its geographical presence. Further, the Company is present in the agriculture industry, which was amongst the least impacted industry across the globe.

Competition risk: The Company faces competition from domestic and international players. The Company's inability to deliver new and innovative solutions and keep up with dynamic changes in the market may lead to loss of customer base and revenues. Further, competition may also result in pricing pressure, leading to an impact on its margins and profitability.

Mitigation: Over the years, IIL has established a firm foothold in the key markets and product segments, and have also built a strong and healthy relationship with the farmer community. It also significantly invests towards research and development of new, improved and innovative products, aligned with the changing crop protection needs and help the Company emerge as a solution provider. This has enabled the Company to further strengthen its reputation, giving the Company a competitive edge over its peers. We further bolstered our position with the development of new generation products, combinations, biologicals and new greener chemistries by JV R&D. Further, IIL's Tractor brand is well-known amongst the farmer community and helps IIL stand out amongst the crowd.

Quality risk: The Company's inability to abide by stringent quality standards might adversely affect operations, leading to monetary and intangible losses. Further, the Company may lose its brand value, resulting in a shrinking of the revenue base.

Mitigation: IIL has established dedicated research and development and quality assurance department consisting of experienced and qualified personnel to ensure adherence to strict quality standards. The Company has put in place a robust quality check mechanism wherein the input materials and the output products undergo strict quality checks. Also, quality checks are undertaken at every step of the production. The Company's products undergo stringent quality checks and it is an ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018 certified company, validating its position as a reliable business entity. Further, our 3 QC labs at all major production sites are NABL accredited and test facility at R&D Facility at Chopanki is GLP certified..

Logistical risk: Inability to procure raw materials and deliver products in the committed time may lead to reputation loss and impact on business sustainability..

Mitigation: The Company has put in place dedicated domestic and international procurement team. These teams, with their strategic planning and effective vendor management system has ensured timely and steady supply of raw materials at competitive prices.

R&D risk: Inability to procure quality raw materials at competitive price and inability of the Company to ensure timely delivery of the product may cause operational, reputation and financial loss.

Mitigation: The Company's strong R&D team works relentlessly to launch innovative formulations, mixtures and biological and technicals; resulting in a steady stream of post-patent products, which offer greater efficacy than those offered by peers. The Company as of 31st March 2022 holds 14 patents.

Marketing risk: Inability to market the right products successfully to the correct customer segment may lead to reputation loss and could decelerate growth.

Mitigation: To be closer to customers, IIL has set up its facilities near key markets, backed by strong distribution channels, ensuring that the Company's products are well-recognised all over the world. IIL analyses grassroots realities to strengthen demand forecasting and has strengthened its branding and marketing competence to enhance user confidence. Strong network and Customer and team to handle the strong pipeline of products.

Retention and acquisition of skilled employees: To ensure smooth operations and long-term sustainability, it is vital to have a dedicated and committed team in place. Unable to retain or acquire competent and experienced employees may hamper the Company's ability to pursue its sustainable growth strategies effectively.

Mitigation: The Company's HR team constantly strives to hire talented employees and aims to retain existing people with attractive opportunities for professional growth. It also organizes various training and development initiatives to upskill employees and prepare them for challenging circumstances.

Our team leaders have led by example and have always allowed people to grow with them. We have focused on building a work atmosphere which is cordial and treats each other just like one's family member, thereby have been able to achieve one of the lowest attrition rates.

Our ESG focus

We are conscious of our environmental impact and are committed to working responsibly towards our ESG focus. Over the years, we have consistently adopted various initiatives which helped us in minimizing our environmental footprint by prudent use of resources such as fuel, electricity, water, and raw materials. IIL engages in the sustainable development of the environment, society, and governance.

Environment	Social	Governance
• As a part of our green initiative, we have implemented solar power plants to meet a part of our power need and have also put in place various initiatives to reuse water in utilities, toilets, and gardens, among others. • We focus on developing products that are people and environment friendly.	• We regularly invest in education, environmental sustainability, economic empowerment, rural development, health care and sanitation in the areas of our presence. • We strongly believe in giving back to society by doing our part. We focus on the welfare of our farmers through different farmer education initiatives.	• We believe that good governance contributes to value creation in the short, medium and long term and retains the trust and confidence of the Company's stakeholders. • Backed by an experienced management team, the Board has inculcated a culture of accountability, transparency, and integrity in its working.

Internal control system and adequacy

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

The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

Human resource

We believe that our intellectual capital is the true asset of our business and losing them could have a material adverse effect on the Company's performance. At IIL, we believe that to ensure skill development and to face up to major challenges; we need teams who deliver and who are motivated. Our human capital is our greatest tool for shaping the future of the Company and is also critical for our smooth functioning. Discovering talented people and retaining them is the key aim of our HR policy.

Our people are our greatest strength as a company and the bedrock of our organization. That's why our highest priority is to provide a rewarding workplace that's safe, welcoming, and supportive of professional development. Our company enjoys the support of committed and well satisfied human capital. Compensation packages offered by the Company, best of class methods in terms of recruitment, training, motivation, and performance appraisal, attract and retain the best in talent. As of 31st March 2022, the total workforce of IIL is well over 1,250 employees.

Health and safety measures

Keeping our people safe at work is our foremost priority. Our safety focus is spearheaded by the facility heads, who conduct regular facility-wide review on aspects related to health, safety and the environment (HSE). With their valuable input, we have undertaken different measures to enhance the health and safety measures of our people. Further, we have formed small teams at each of our manufacturing locations to quickly identify and effectively address safety issues. Our Company has an exhaustive set of health and safety policies and procedures that are stringently followed at all locations, by all people.

The focus on health and safety protocols was further stepped up during the year in response to the pandemic. Apart from following the government guidelines, we carried out regular sanitization and ensured adequate physical distancing. We also swiftly introduced measures to periodically test employees and regulated entry through the oximeter and thermal screening. We also launched wellness programmes for employees and their families to help build resilience, manage change, and enhance their wellbeing during this challenging period.

Cautionary statement

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

BOARD'S REPORT

Dear Members,

The Board of Directors hereby submit the report of the business and operations of your Company ('the Company' or 'IIL'), along with the audited financial statements, for the financial year ended March 31, 2022.

1. Financial Results and State of Company's Affairs

(₹ in Crore, except EPS)

Particulars	Standalone		Consolidated	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Revenue from operations	1,503.96	1,420.23	1,503.96	1,420.23
Other income	4.27	7.73	4.27	7.73
Total income	**1,508.23**	**1,427.95**	**1,508.23**	**1,427.95**
Expenses				
Operating expenditure	1,334.28	1,267.89	1,334.28	1,267.89
Depreciation and Amortization expense	26.35	24.67	26.35	24.67
Total expenses	**1,360.63**	**1,292.57**	**1,360.63**	**1,292.57**
Profit before finance costs, exceptional item and tax	**147.60**	**135.39**	**147.60**	**135.39**
Finance costs	6.63	6.65	6.63	6.65
Profit before exceptional item and tax	**140.97**	**128.74**	**140.97**	**128.74**
Exceptional item	0.00	9.70	0.00	9.70
Profit before tax	**140.97**	**119.03**	**140.97**	**119.03**
Tax expense	33.94	25.60	33.94	25.60
Profit for the year	**107.02**	**93.43**	**107.02**	**93.43**
Opening balance of retained earnings	**661.24**	**573.98**	**663.22**	**575.47**
Closing balance of retained earnings	**767.96**	**661.24**	**770.43**	**663.22**
Earnings per share (EPS)				
Basic (In ₹)	53.97	45.21	54.17	45.43
Diluted (In ₹)	53.97	45.21	54.17	45.43

During the year under review

- Revenue from Operation recorded a growth by 5.90% from ₹ 1,420.22 Crore in FY21 to ₹ 1,503.95 Crore in FY22 mainly driven by the institutional sales segment and more than 2X growth in export turnover.

- The EBITDA increased by 11.39% from ₹ 153.23 Crore in FY21 to ₹ 169.67 Crore in FY22 and a gain in the EBITDA margins from 10.73% in FY21 to 11.28% in FY22.

- Net profit stood at ₹ 107.02 Crore in FY22, compared to ₹ 93.43 Crore in FY21 recorded a growth of 14.54%.

2. COVID-19 Updates

Since FY2020, COVID-19 has impacted the life of every individuals including organizations, the needs of the business has rapidly changed and organizations are required to adapt according to the changing environment. We, at IIL swiftly reacted according to the changes and provided the required support to the workforce, farmers and the community, when it's needed the most. The Company puts all its efforts to quickly restore the normalcy of operations amid an unprecedented global crisis; IIL continue to succeed as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

At IIL, even amid an unprecedented global crisis, we continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

3. Dividend

Your Directors are pleased to inform that your Company has a consistent track- record of dividend payment. In line with the Dividend Distribution Policy (https://www.insecticidesindia.com/wp-content/uploads/2022/04/DividendDistributionPolicy.pdf), the Board of Directors of the Company ('the Board') has recommended total Dividend of ₹3 per equity share of ₹10 each i.e. 30% on the paid up equity capital, for the financial year ended March 31, 2022 to be paid to those equity shareholders whose name appear in the register of member as on record date i.e. September 16, 2022.

The register of member and share transfer Book will remain closed from September 17, 2022 to September 20, 2022 for the purpose of payment of final Divided for the financial year ended March 31, 2022

The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company scheduled to be held on Friday, September 23, 2022.

The dividend once approved by Shareholders will be paid on and after October 03, 2022 (Monday) The total dividend payout for the financial year 2021-22 shall be in line with the dividend distribution policy of the company.

4. Change in equity share capital

The Board of Directors of the Company at their meeting held on March 30, 2021, approved the Buyback of securities of the Company from the open market through stock exchange mechanism. The Buyback opened on April 12, 2021 and closed on August 10, 2021 During the year the Company bought back 935905 equity shares.

The paid up equity share capital of the company as on March 31, 2022 is ₹19,73,18,910/- comprising of 19731891 equity shares of ₹10/- each; whereas paid up Equity Share Capital of the Company as on March 31, 2021 was 20,66,77,960/- comprising of 20667796 equity shares of ₹10/- each.

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

5. Credit Rating

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

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

6. Award and Recognitions

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

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

During the FY2022 your Company has not granted any Loan, Guarantee or provided securities under Section 186 of the Companies Act, 2013 read with rules framed thereunder.

8. 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.

9. Companies which have become or ceased to be its Subsidiary Company, Associate Company And Joint Venture Company

There is no subsidiary 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, 2022.

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

A highlights of performance of joint venture along with its contribution to overall performance of the Company during the period are provided in **form AOC-1** and annexed as **Annexure – 1**.

10. Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year 2021-22 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and Regulations as prescribed by Securities and Exchange Board of India, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI "Listing Regulations").

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

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

11. Transfer to Reserves

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

12. 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. Certain Statements in the said report may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

13. 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: https://www.insecticidesindia.com/investors-desk/

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

The Company has identified following focus areas for CSR engagement:

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

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

14. Risk Management

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

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

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

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

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

Risk Management Committee: The Risk Management Committee of the Board of Directors has been constituted in the Board meeting held on June 18, 2021; brief details of the Committee are provided in the Corporate Governance Report forming part of this Annual Report. The Risk management Policy of the Company is available at https://www.insecticidesindia.com/investors-desk/

15. Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting unethical behaviour, fraud, violations, or bribery. The Company has Vigil Mechanism (Whistle Blower) Policy under which the employees are free to report violations of applicable Laws and Regulations and the Code of Conduct, the same can be accessed through the Chairman of the Audit Committee. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review no such complaint has been received and no employee was denied access to the Audit Committee for reporting violations. The details of the aforementioned policy is available on the Company's website at https://www.insecticidesindia.com/investors-desk/

16. Disclosure of Remuneration & Particulars of Employees and Related Disclosures

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

List of top 10 employees' remuneration are annexed as **Annexure-3** under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Managerial Personnel) Rules 2014.

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

The Remuneration Policy of the company is available at https://www.insecticidesindia.com/investors-desk/

17. Directors

Your Directors are pleased to inform that Mr. Hari Chand Aggarwal, Chairman & Whole-time Director of the Board is director retiring by rotation and being eligible, offer himself for re-appointment. We would like to further inform that based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 26, 2022, has reappointed Mr. Hari Chand Aggarwal as Chairman & Whole-time Director for a period of five years with effect from October 01, 2022, subject to the approval of the shareholders.

Also, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 26, 2022, has re-appointed Mrs. Nikunj Aggarwal as Whole-time Director for a period of five years with effect from May 02, 2023, subject to the approval of the shareholders. The Board recommends their appointments at the ensuing Annual General Meeting.

The information of Directors, seeking appointment/ re-appointment, pursuant to Regulation 36(3) of the Listing Regulations and Companies Act, 2013 is provided in the Notice of the 25th 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.

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

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

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

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

18. Meeting of the Board

During the financial year 2021-22, the Board of Directors met 4 (Four) times, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The notice along with Agenda of each Board Meeting was given in writing to each Director. The intervening gap between any two meetings was within the period prescribed by the Act and SEBI Listing Regulations.

19. Performance Evaluation Report

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

The evaluation of Board of its own performance and that of its committees and individual directors was conducted based on criteria and framework adopted by the Board. The evaluation criteria have been explained in the Nomination and Remuneration Policy adopted by the Board. The details of the aforementioned policy is available on the Company's website at https://www.insecticidesindia.com/investors-desk/

20. 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 https://www.insecticidesindia.com/investors-desk/

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

21. Board Committees

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

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

22. 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 Kumar Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director
4. Shri Sandeep Kumar - Company Secretary & CCO
5. Shri Sandeep Kumar Aggarwal - Chief Financial Officer

During the financial year 2021-22, all the necessary information, as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the board for discussion and consideration.

23. 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, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

24. Contracts Or Arrangements With Related Parties

Your Company has formulated a policy on related party transactions which is also available on Company's website at the link https://www.insecticidesindia.com/investors-desk/. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the Financial Year were in ordinary course of the business and on arm's length basis. Disclosure of related party transactions, as required pursuant to Section 134(3)(h) of the Companies Act, 2013, is provided in **Form AOC-2** and annexed as **Annexure-4**.

Members may refer to Note No. 38 of the financial statement which sets out related party disclosures pursuant to IndAS-24.

25. Details in respect of adequacy of Internal Financial Controls

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

Along with Statutory and Internal Auditor, the Company has an in-house Internal Audit department with a team of qualified professionals. The internal audit department prepares an annual audit plan based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. Improvements in processes are identified during reviews and communicated to the management on an ongoing basis. The Audit Committee of the Board monitors the performance of the internal audit team on a periodic basis through review of audit plans, audit findings and issue resolution through follow-ups. Each year, there are at least four meetings in which the Audit Committee reviews internal audit findings.

26. Details of Significant & Material Orders passed by the regulator or Courts

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

27. 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.

28. Auditors

a) Statutory Auditors

At the 20th AGM of the Company held on August 08, 2017 pursuant to the provisions of the Act and the Rules made thereunder, M/s SS Kothari Mehta & Company, Chartered Accountants (ICAI Regd. No.: 000756N) and M/s Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N) were appointed as Joint Auditors of the Company for term of 5 (Five) consecutive Years.

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

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

The Board of Directors of the Company at its Meeting held on May 26, 2022, based on the recommendation of the Audit Committee, re-appointed M/s SS Kothari Mehta & Company, Chartered Accountants (ICAI Regd. No.: 000756N) and M/s Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No.: 013338N) as the Joint Statutory Auditors of the Company pursuant to Section 139 of the Act for a second term of five (5) consecutive years i.e. from the conclusion of the 25th AGM till the conclusion of the 30th AGM to be held in the year 2027, subject to approval by the Members at the ensuing 25th AGM of the Company.

Accordingly, an Ordinary Resolution proposing the re-appointment of M/s SS Kothari Mehta & Company, and M/s Devesh Parekh & Co., as the Statutory Auditors of the Company for a second term of five (5) consecutive years is set out in the Notice of the 25th AGM forming part of this Annual Report. The Company has received their written consent along with the eligibility certificate confirming that they satisfy the criteria provided under Section 141 of the Act and that the re-appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

b) Secretarial Auditor

The Board of Directors had appointed Akash Gupta & Associates, Company Secretaries, (PCS Regis. No. 11038), to conduct Secretarial Audit for FY 2021-2022. During the year under review the company complies with all applicable Secretarial Standards. The Secretarial Report annexed to this report are self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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

In terms of Section 204 of the Companies Act, 2013, the Audit Committee recommended and the Board of Directors appointed M/s. Akash Gupta & Associates, Company Secretaries (PCS Registration No. 11038) as the Secretarial Auditors of the Company in relation to the financial year 2022-23. The Company has received their consent for appointment.

A Secretarial Compliance Report for the financial year ended March 31, 2022 as required under Regulation

24A of SEBI (LODR) Regulations 2015 has been submitted to the stock exchanges within due time.

c) Cost Auditor

In terms of the requirement of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the cost audit records maintained by the Company is required to be audited.

During the FY 2021-22, the Cost Auditor has not reported any matter under Section 143(12) of the Act, therefore no details is required to be disclosed under Section 134(3)(ca) of the Act. The Cost Audit Report of the relevant period does not contain any qualification, reservation, adverse remark or disclaimer.

The Audit Committee recommended and the Board of Directors appointed M/s Aggarwal Ashwani K & Associates, Cost Accountants, as Cost Auditors of the Company, to carry out the cost audit for the financial year 2022-23. 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 25th Annual General Meeting of your Company.

d) Internal Auditors

The Board of Directors on recommendation of the Audit Committee, appointed M/s. Aditi Gupta & Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2021-22.

The Internal Auditors' Report submitted to the Board were not contained any qualification, reservation, adverse remark or disclaimer, however suggestions given by the internal auditors for the improvement of the system were taken into consideration by the management.

29. 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.

30. Business Responsibility Report

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosures into our Annual Report as **Annexure-5**. The Board of Directors has adopted a Business Responsibility Policy. The said Policy is available on Company's website at https://www.insecticidesindia.com/investors-desk/

31. 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.

32. Annual Return

In accordance with Section 134 (3) (a) of the Act, the annual return for the financial year 2021-22 is available on Company's website at https://www.insecticidesindia.com/investors-desk/

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

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

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

34. 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.

35. 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 2013-14, aggregating to ₹ 51,477.00/- 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.

36. Insurance

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

37. Nature of Business

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

38. Listing of Securities

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

39. General

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Company has no subsidiaries therefore remuneration or commission from its subsidiary to the Managing Director or Whole-time Director is not applicable.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- During the period No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.

40. Compliance with Secretarial Standards

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

41. Cautionary Statement

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

42. Appreciation

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

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

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

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

	(Hari Chand Aggarwal)	**(Rajesh Kumar Aggarwal)**
Place: Delhi	Chairman & WTD	Managing Director
Dated: August 12, 2022	DIN-00577015	DIN-00576872

Annexure-1

FORM NO. AOC.1

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

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

Part "A": Subsidiaries - 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	31.03.2022
2. Date on which the Associate or Joint Venture was associated or acquired	06.03.2013
3. Shares of Associate/Joint Ventures held by the company on the year end	
No.	795000
Amount of Investment in Associates/Joint Venture	795.00
Extend of Holding %	20
4. Description of how there is significant influence	Joint Venture Agreement & Shareholding of 20% in OAT&IIL
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	
7. Profit / Loss for the year	
i. Considered in Consolidation	20%
ii. Not Considered in Consolidation	80%

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

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

	(Hari Chand Aggarwal)	**(Rajesh Kumar Aggarwal)**
Place: Delhi	Chairman & WTD	Managing Director
Dated: August 12, 2022	DIN-00577015	DIN-00576872

Annexure - 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline of the Company's Corporate Social Responsibility (CSR) policy:

Insecticides (India) Limited is known for its Social Responsibility for long time before the incorporation of Corporate Social responsibility in the Companies Act. The Company's CSR Policy is in adherence to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder and provides for carrying out CSR activities.The Company undertake activities relating to rural development including enhancing environmental and natural capital, supporting rural development, promoting education and vocational skills, providing preventive healthcare, providing sanitation and drinking water, creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India etc. through various non-profit Organizations, viz IIL Foundation, Navjyoti India Foundation, Subhaksiksha Educational Society, Maharaja Agrasen Hospital Charitable Trust, Brahma Kumaris Educational Society and others.

The CSR spend may be carried out by way of donation to the corpus of the above 'Non-Profit Organisations' or contribution towards some specific project being undertaken by any of the organisations or to Central / State Government Relief Funds or directly by the Company. The CSR policy is available on Company's website. The web link of the same is https://www.insecticidesindia.com/investors-desk/

2. Composition of the CSR committee

Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Hari Chand Aggarwal	Chairman	4	4
Mr. Rajesh Kumar Aggarwal	Member	4	4
Mr. Virjesh Kumar Gupta	Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

   a. Composition of CSR committee : https://www.insecticidesindia.com/board-of-directors/
   b. CSR Policy : https://www.insecticidesindia.com/investors-desk/
   c. CSR projects : https://www.insecticidesindia.com/investors-desk/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not Applicable**

5. The details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ In Lakhs)	Amount required to be setoff for the financial year, if any (₹ In Lakhs)
Not Applicable			

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

6. Average net profit of the Company as per Section 135(5) : ₹ **13,453.14 Lacs**

7. a. Two percent of average net profit of the company as per Section 135(5) **: ₹ 269.06 Lacs**
   b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years **: ₹ 0.94 Lacs**
   c. Amount required to be set off for the financial year, if any : **Nil**
   d. Total CSR obligation for the financial year (7a+ 7b - 7c) : ₹ **269.06 Lacs**

8. a. CSR amount spent or unspent for the financial year: **2021-2022**

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
307.03	Not Applicable				

b. Details of CSR amount spent against ongoing projects for the financial year: **2021-2022**

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District.						Name	CSR Registration number.
Nil												

c. Details of CSR amount spent against other than ongoing projects for the financial year : **2021-2022**

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (₹ in Lacs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Kisaan Jagrukta Abhiyan (Training programmes to Farmers)	(iv)-Environmental Sustainability	Yes	Rajasthan, Gujarat	Alwar, Dahej	40.75	No	IIL Foundation	CSR00002345
2.	Project Environment & Plantation	(iv)-Environmental Sustainability	Yes	Rajasthan	Alwar	8.14	No	IIL Foundation	CSR00002345
3.	Project Vidya (Child education in rural areas)	(ii)-Promoting Education	Yes	Rajasthan	Alwar	2.25	No	IIL Foundation	CSR00002345
4.	Remedial Education	(ii)-Promoting Education	Yes	Delhi	Bawana	6.00	No	Navjyoti India Foundation	CSR00000255
5.	Home for Street Children	(iii)- Setting up home Orphans	Yes	Delhi NCR	All Districts	6.00	No	Subhaksiksha Educational Society	CSR00010001
6.	Skill Development - Technical Education	(ii)-Promoting Education	Yes	Delhi	West Delhi	15.00	No	Maharaja Agrasen Technical Education Society	CSR00006254
7.	Preventive Healthcare	(i)- Promoting Healthcare	Yes	Delhi	West Delhi	37.50	No	Maharaja Agrasen Hospital Charitable Trust	CSR00001343

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Lacs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
8.	Mega Community Kitchen	(i) Eradicating Hunger	Yes	PAN India	PAN India	55.00	No	Brahma Kumaris educational Soceity	CSR00000880
9.	Education and Research	(ii) Promoting Education	Yes	Delhi	Various Districts	3.00	No	Rajyoga Education and Research Foundation	CSR00000882
10.	Preventive Healthcare	(i) Promoting Healthcare	Yes	UP	Ghaziabad	10.00	No	Maharaja Agrasen Sewa Sansthan	CSR00010427
11.	Covid Care	(i) Covid-19 relief	Yes	PAN India	PAN India	19.13	No	IIL Foundation	CSR00002345
12.	IIL Foundation Dispensary	(i) Promoting Healthcare	Yes	Delhi	North Delhi	67.16	No	IIL Foundation	CSR00002345
	Total					**269.94**			

d. Amount spent in Administrative Overheads : Nil

e. Amount spent on Impact Assessment, if applicable : NA

f. Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹ 269.94 Lacs**

a. Excess amount for set off, if any: **NA**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. a. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakhs)	Amount Spent in the Reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
(i)	2020-2021	-	-	-	-	-	-
(ii)	2019-2020	-	44.56	-	-	-	-
	TOTAL		**44.56**				

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID.	Name of the Project.	Financial Year in Which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Assets Wise Details) : **2021-2022**

a. Date of creation or acquisition of the capital asset(s): NA
b. Amount of CSR spent for creation or acquisition of capital asset: NA
c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA
d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 12, 2022

Annexure - 3

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

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22:

Table no. I

(₹ In Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Hari Chand Aggarwal	Chairman & (WTD)	135:1
2	Mr. Rajesh Kumar Aggarwal	Managing Director	131:1
3	Mrs. Nikunj Aggarwal	Whole-time Director	14:1

Table no. II

(₹ In Lacs)

Sl. No	Name of Director	Designation	Ratio to Employee
1	Mr. Virjesh Kumar Gupta	Independent Director	0.63:1
2	Mr. Navin Shah	Independent Director	0.63:1
3	Mr. Jayaraman Swaminathan	Independent Director	0.88:1
4	Mrs. Praveen Gupta	Independent Director	0.63:1

Notes: Directors at above table II are Independent Directors and received only sitting fee during the year.

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

Sl. No	Name of Director and KMP	Director/KMP	% Increase in remuneration
1	Mr. Hari Chand Aggarwal	Chairman and Whole-time Director	Nil
2	Mr. Rajesh Kumar Aggarwal	Managing Director	Nil
3	Mrs. Nikunj Aggarwal	Whole-time Director	Nil
4	Mr. Sandeep Kumar Aggarwal	Chief Financial Officer	10.44
5	Mr. Sandeep Kumar	Company Secretary & CCO	37.75

c. The percentage increase in the median remuneration of the employees for the financial year is 16.97%. The median remuneration of the employee of the company for the financial year were ₹ 3.18/- Lakhs (Per Annum)

d. Total number of employees of the Company for the Financial Year was 1,305. The Company has maintained peaceful and harmonious relations with all its employees.

e. Average percentile increase already made in the salaries of employees was whereas the increase in managerial remuneration is Nil. 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.

Name	Designation/ Nature of Duty	Remuneration p.a (₹ In Lacs)	Qualification	Age / Experience	Date of Joining	Previous Employment & Designation	% of shareholding in the Company	Relationship to any Director or Manager
Mr. Hari Chand Aggarwal	Chairman	429.01	High School	74 Years / 46 Years	01/11/2001	Own Business	4.68	Father of Mr. Rajesh Kumar Aggarwal, MD and Father-in-law of Mrs. Nikunj Aggarwal, WTD
Mr. Rajesh Kumar Aggarwal	Managing Director	416.41	Graduate	52 Years/ 29 Years	01/11/2001	Own Business	6.70	Son of Mr. Hari Chand Aggarwal, Chairman and Husband of Mrs. Nikunj Aggarwal, WTD
Mrs. Nikunj Aggarwal	Whole-time Director	46.01	B.A	49 Years/ 15 Years	02/05/2013	Own Business	15.84	Wife of Mr. Rajesh Kumar Aggarwal, MDl and Daughter-in-law of Mr. Hari Chand Aggarwal, Chairman
Mr. Ajay Kumar Bhavsar	GM – Works (Resigned on 30/04/2022)	36.03	BSc	53 Years	15/04/2021	Bharat Rasayan Limited - DGM	0.00	No Relationship with Directors
Mr. Sunil Kumar Wasan	VP-Purchase	35.58	B-tech in Chemicals	53 Years/ 32 Years	23/02/2016	M/s Solrex Pharmaceutical Ltd, Sr. General Manager	0.00	No Relationship with Directors
Mr. Sandeep Aggarwal	CFO	34.50	Chartered Accountant	53 Years/ 32 Years	01/08/2011	Own Business	0.00	No Relationship with Directors
Mr. Arun Kohli	VP – Institutional Sales	34.50	Phd, Management	61 Years/ 41 Years	29/10/1960	M/s UPL Limited	0.00	No Relationship with Directors
Mr. Vinod Kumar Garg	VP – Sales & Marketing (South India)	30.26	B.Com, LLB	62 Years/ 37 Years	01/06/2002	-	0.00	No Relationship with Directors
Dr. Lokesh Chander Rohela	Sr. GM, Quality	28.30	Phd, Synthetic Organic Chemistry, IIT-Delhi	68 Years/ 38 Years	09/01/2013	Crystal Crop Production Private Limited	0.00	No Relationship with Directors
Mr. Sanjay Singh	G.M - Market Development	27.11	MSC	53 Years/ 28 Years	12/06/2012	M/s Dhanuka Agritech Ltd, Sr. Product Manager	0.00	No Relationship with Directors
Mr. Srikant S Satwe	VP - International Business	26.71	MSC and PGDMS	58 Years / 33 Years	08/12/2014	M/s Hikal Ltd, Head Marketing	0.00	No Relationship with Directors
Dr. Mukesh Kumar Aggarwal	GM – R&D	25.84	P.hd and MSC	59 Years/ 28 Years	21/12/2001	M/s Hindustan Pulverising Mills, Manager QC & Production	0.00	No Relationship with Directors
Mr. P C Pabbi	Sr. VP – Sales & Marketing	24.43	Graduate	60 Years/ 35 Years	23/03/1961	Own Business	0.00	No Relationship with Directors

(Hari Chand Aggarwal)
Chairman
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 12, 2022

Annexure – 4

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.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

(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

2. Details of material contracts or arrangement or transactions at Arm's length basis.

(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 / Sale of Goods and other obligations	N/A	N/A	Not applicable, since the transaction is in the ordinary course of business and at arm's length.	Nil
2.	HPM Chemicals & Fertilizers Limited			N/A	N/A		
3.	Vinod Metal Industries			N/A N/A	N/A N/A		
4.	Indogulf Cropsciences Limited			N/A	N/A		
5.	Smt. Soniya Aggarwal	Relative of KMP	Consultancy Services	2 Years (from 01/04/2022 to 31/03/2024)	As per Consultancy Agreement		
6.	Smt. Pushpa Aggarwal	Relative of KMP	Rent Expenses	5 Years (from 01/04/2019 to 31/03/2024)	As per Lease / Rent Agreement		
7.	ISEC Organics Ltd.	KMP have control / significant influence	a) Rent Expenses b) Advance Towards Property	a) 5 Years (from 01/04/2019 to 31/03/2024) b) Agreement to Sell	As per Lease / Rent Agreement As per Agreement		
8.	OAT & IIL India Laboratories Pvt. Ltd	Joint Venture	Job Work	Yearly	N/A		

Place: Delhi
Dated: May 26, 2022

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

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Annexure -5

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

Insecticides (India) Limited ("IIL or Company") believes in conducting its business in an ethical and transparent manner. The idea of inclusive socio-economic growth is ingrained in every step that the Company takes towards achieving its long term objectives. The Company is committed to manage its business operations based on the principles of sustainable development.

As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), following is the Business Responsibility Report as per format prescribed by SEBI. The Company also endeavours to undertake initiatives under the principles prescribed as per the National Voluntary Guidelines ("NVG") on Social, Environmental and Economic Responsibilities of Business.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L65991DL1996PLC083909
2.	Name of the Company	:	Insecticides (India) Limited
3.	Registered address	:	401-402, Lusa Tower, Azadpur Commercial Complex, Delhi - 110033
4.	Website	:	www.insecticidesindia.com
5.	E-mail id	:	investor@insecticidesindia.com
6.	Financial Year reported	:	01/04/2021 to 31/03/2022
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	:	NIC Code of Product & Service: 202/2021 Agrochemicals
8.	List three key products/services that the Company manufactures/provides	:	a. Insecticides b. Herbicides c. Fungicides
9.	Total number of locations where business activity is undertaken by the Company		
	(a) Number of International Locations	:	Nil
	(b) Number of National Locations	:	The Company has manufacturing facilities situated at Chopanki (Rajasthan), Dahej (Gujarat), Sambha; Udhampur (J&K)
10.	Markets served by the Company	:	In addition to serving the Indian market, the Company exports to around 22 countries worldwide.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	₹ 19731891/-
2.	Total Turnover(INR)	:	₹ 15,082,294,946.33/-
3.	Total profit after taxes(INR)	:	₹ 1,070,213,601.08/-
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	:	2.51%
5.	List of activities in which expenditure in 4 above has been incurred		a. Farmer Awareness (Environmental Sustainability) b. Promoting Education c. Promoting Healthcare d. Setting up home for Orphans e. Eradicating Hunger

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies:

No.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Not Applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than60%]:

Not Applicable

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

(a) **Details of the Director/Director responsible for implementation of the BR policy/policies**

1. DIN Number : 00576872
2. Name : Mr. Rajesh Kumar Aggarwal
3. Designation : Managing Director

(b) **Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	00576872
2	Name	Mr. Rajesh Kumar Aggarwal
3	Designation	Managing Director
4	Telephone number	011-27679700
5	e-mail id	rajesh@insecticidesindia.com

2. Principle-wise (as per NVGs) BRPolicy/policies

(a) Details of compliance (Reply inY/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are based on the National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies were signed by Mr. Hari Chand Aggarwal, Chairman								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.insecticidesindia.com/CompanyPolicy.html								
7	Has the policy been formally Communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8	Does the company have in-house Structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2options) :Not Applicable

3. **Governance related to BR**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year :**

Annually

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report how frequently it is published?**

Yes, the Company publishes BR as part of annual report and also publishes Sustainability Report on its website annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and

Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   Yes. This Policy covers the Insecticides (India) Limited but not to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   For investors Grievances please refer to Corporate Governance Report, which is also an integral part of the Board's Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   We understand the impact of manufacturing Insecticides, Pesticides and other chemicals on environment & society and takes responsibility to develop products having least carbon footprint and favoring betterment of environment and society. The farmer are the center of our business philosophy we, invests in cost efficient products for our beneficiaries. We strive of produce products which consumes minimal resources resulting to create positive environmental. Following are the three key products which environmental friendly:

a. AgroSpred Max
b. KK Pro
c. Mycoraja

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The Company manufactures and distributes at its world class manufacturing facilities, a wide range of Branded & Generics Formulations. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several measures to reduce the consumption of energy and water.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, at local and at international level. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials. The Company has longstanding business relations with regular vendors. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from all its vendors.

4. **Has the company taken any steps to procure goods and services from local &small producers, including communities surrounding their place of work?**

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company procures goods and avail services also from local and small, particularly those located around its manufacturing locations, wherever possible. The Company provides technical support and guidance to vendors in developing products and capability wherever possible.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Yes. The Company has mechanism for recycling of product as well as waste. Specific percentage of the same is not ascertained but optimum recycling of product and waste has been made.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees. : 1,305
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 606
3. Please indicate the Number of permanent women employees : 22
4. Please indicate the Number of permanent employees with disabilities : Nil
5. Do you have an employee association that is recognized by management : No
6. What percentage of your permanent employees is members of this recognized employee association? – Not Applicable
7. Please in dicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees : 92%
(b) Permanent Women Employees : 91%
(c) Casual/Temporary/Contractual Employees : 82.50%
(d) Employees with Disabilities : N.A.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalised.

1. Has the company mapped its internal and external stakeholders ?Yes/No

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words orso.

The Company through its Non-Profit Organisations viz. IIL Foundation, farmers awareness programme, project vidhya, Navjyoti India Foundation and others are taking various initiatives in the area of Education, Healthcare including Preventive Healthcare, Community outreach programs, Sanitation, Employment enhancing vocational skills, etc. to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Policy on Human Rights cover the Insecticides (India) Limited only.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the reporting period company has not received any complaint.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company's Policy covers the Insecticides (India) Limited only.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.**

No.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, The Company is continually working towards the improvement of environment by taking steps further and has install the Solar Power plants in its factories.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Yes, Clean Development Mechanism measure have been part of our continuous endeavour of excellence. Installation of Solar Power plant is one of them.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes, The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in **Annexure-6** to the Board's Report.

6. **Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported**?

   Yes

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   (a) Crop Care Federation of India (CCFI)
   (b) NIPMA

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes, The Company has advocated on various areas concerning economic reforms, best practices, new standards or regulatory development pertaining to Agrochemical industry through the associations, from time to time.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, The Company has carried out various community development activities from several years. Company has established, nurtured and promoted various Non-Profit Organisations focusing on three major areas – Education, Healthcare and Rural Development. The details are mentioned in Annexure-2 to the Board's Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The Company undertakes programmes/projects directly/through various Non-Profit Organisations viz. IIL Foundation, Navjyoti India Foundation, Subhaksiksha Educational Society and others.

3. **Have you done any impact assessment of your initiative?**

   Yes

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   The Details are mentioned in Annexure – 2 to the Board's Report

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in50 words, or so.**

   The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken. Various projects are undertaken with Government and Semi- Government agencies that have their monitoring mechanisms and impact assessment systems. We believe that our initiatives has genuinely covered and benefitted large number of beneficiaries.

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Nil

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   No. The Company follows all legal statues with respect to product labelling and displaying of product information.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Periodically company conducts survey among customers through inhouse customer care department. Judicial Customer satisfaction is prime motive of IIL, the team of IIL always in connect with customers. At IIL any customer can reach to management without delay, higher management is in connect with customers directly. Customers of the IIL were satisfied with the products provided by the Company.

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

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 12, 2022

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 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

A. Conservation of resources and Energy

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

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

As in the past, the Company continued to stress upon measures for the conservation and optimal utilisation of energy in all the areas of operations. Within the Company there are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy & CO2 emissions while maximizing production volumes.

During the year, Company has undertaken several Civil and Construction works in the all its for improving the efficiency and productivity, which will eventually save the energy and resources in long period of time.

(ii) **The steps taken by the company for utilizing alternate sources of energy**: During the year under review, the Company has installed the Solar Plant at its Dahej facility to reduce the traditional electricity consumption. The installed capacity of the Plant is approximately 1000 KW.

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

B. Technology absorption

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

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

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

Research and Development (R&D)

(i) Specific areas in which R&D carried out by the Company - Your Company put emphasis on R&D and spends enormous amounts and efforts in R&D for gaining industrial experiences. We have a highly experienced team of dedicated scientists focusing on the development of a variety of niche products in the crop protection. Established in JV with globally renowned R&D player from Japan, the three R&D units have helped the Company develop innovative and niche products which have propelled the growth of the Company and partner the growth of the agriculture sector. The Company's QC labs are NABL accredited, which has dedicated professional scientist who carry out a wide range of chemical reactions with an analytical support of GC, HPLC, GC Mass, AAS, UV and Infrared Spectrophotometer e, among others.

(ii) Benefits derived as a result of the above R&D - During the year under review the company has introduced several products for the benefit of the farmers. Company has launched revolutionary products during the year named as Hachiman, Oxim and Shinwa. Further, following are the enlisted R&D activities of the companies:

a. Till date the Company has filed 30 patents out of which 18 patents are already received.
b. The Company has R&D workforce of about 60+ Scientists which includes the scientists of OAT &IIL Laboratories Pvt. Ltd.
c. The R&D Team has developed more than 60 processes.
d. With the increase in thrust on cost optimisation R&D team of IIL have focused on specific cost reduction projects for the molecules which are already generic in the regulated market, which has experienced price erosion.

(iii) Future plan of action - Steps are continuously being taken for innovation and renovation of products including new product development, improvement of packaging and enhancement of product quality / profile, to offer better products at relatively affordable prices to the consumers. The Company expected to introduce 5-6 new products during the year 2023.

The expenditure incurred on Research and Development:

(in Lacs)

Particulars	Amount
Capital	195.17
Recurring	451.78
OAT &IIL Laborataries Private Limited	293.88
Total	**940.83**

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	13075.72
Foreign exchange used	38776.66

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

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 12, 2022

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Code of Governance

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

ii. As on March 31, 2022, 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 https://www.insecticidesindia.com/board-of-directors/ The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI 'Listing Regulations') read with Section 149 of the Companies Act, 2013 (the 'Act').

iii. None of the Directors on the Board hold directorships in other Listed Company and more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors are related to each other except Shri Hari Chand Aggarwal, Shri Rajesh Kumar Aggarwal and Smt. Nikunj Aggarwal.

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 fulfill 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 were according to the Companies Act, 2013 and rules and Regulations made thereunder. The dates on which the said meetings were held: June 18, 2021; August 10, 2021; November 12, 2021; and February 10, 2022. 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, 2022, 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 Kumar Aggarwal (DIN:00576872)	Managing Director	4	Yes	3	-	-	1322120
Smt. Nikunj Aggarwal (DIN:06569091)	Whole time Director	4	Yes	-	-	-	3125000
Shri Navin Shah (DIN:02701860)	Independent Director	4	Yes	1	-	-	-
Shri Virjesh Kumar Gupta (DIN:06382540)	Independent Director	4	Yes	-	-	-	-
Shri S. Jayaraman (DIN:02634470)	Independent Director	4	Yes	-	-	-	-
Smt. Praveen Gupta (DIN: 00180678)	Independent Director	4	Yes	3	2	5	-

- **Names of the listed entities where the person is a director and the category of directorship**

Name of Director	Name of Listed Company and Category of Directorship
Shri Hari Chand Aggarwal	-
Shri Rajesh Kumar Aggarwal	-
Smt. NikunjAggarwal	-
Shri Navin Shah	-
Shri Virjesh Kumar Gupta	-
Shri S. Jayaraman	-
Smt. Praveen Gupta	Advance Steel Tubes Limited, Independent Director
	Prakash Pipes Limited, Independent Director
	Sophia Exports Limited, Independent Director

viii. Relationship among the Directors

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

ix. During the year 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

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

xi. During the year 2021-22, one meeting of the Independent Directors was held on June 18, 2021. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.

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

xiii. The details of the familiarization programme of the Independent Directors are available on the website of the Company: https://www.insecticidesindia.com/investors-desk/

xiv. Matrix setting out the skills/expertise/competence of the board of directors

The board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organisation evolves and hence the board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

The skill sets identified by the board along with its availability assessment collectively for the board and individually for each Director are as under:

Core skills/ Experience/ Competence	Actual Availability with current board	Mr. Hari Chand Aggarwal	Mr. Rajesh Kumar Aggarwal	Mrs. Nikunj Aggarwal	Mr. Navin Shah	Mr. S. Jayara-man	Mr. Vrijesh Kumar Gupta	Mrs. Praveen Gupta
Industry Skills								
(a) Agro Chemical Industry	Available	✓	✓	✓	✓	✓	-	-
(b) Creating value through Intellectual Property Rights	Available	-	✓	✓	-	✓	-	✓
(c) Board Experience		✓	✓	-	✓	-	-	✓
(d) Global Operations	Available	-	✓	-	-	✓	✓	✓
(e) Value supporting inorganic growth	Available	✓	✓	-	✓	✓	✓	✓
Technical skills/ experience								
(a) Strategic Planning	Available	✓	✓	✓	✓	✓	✓	✓
(b) Risk and compliance oversight	Available	✓	✓	-	✓	✓	-	✓
(c) Marketing	Available	✓	✓	-	✓	✓	✓	✓
(d) policy development	Available	✓	✓	✓	✓	✓	✓	✓
(e) Accounting, tax, audit & Finance	Available	✓	✓	✓	✓	✓	✓	✓
(f) Legal	Available	✓	✓	-	-	-	✓	✓
(g) sales	Available	✓	✓	✓	-		-	-
(h) Human Resource	Available	✓	✓	✓	✓	✓	✓	-
(i) liasoning	Available	✓	✓	✓	✓	✓	✓	✓
Behavioural Competencies								
(a) Integrity & ethical standards	Available	✓	✓	✓	✓	✓	✓	✓
(b) Mentoring abilities	Available	✓	✓	✓	✓	✓	✓	✓
(c) Interpersonal Relations	Available	✓	✓	✓	✓	✓	✓	✓

xv. Directors Profile - A brief resume of all Directors, nature of their expertise in specific functional areas etc. are available on the website of the Company.

xvi. Scheduling and selection of agenda items for Board and Committee meetings - The Board annually holds at least four pre-scheduled meetings. Additional Board meeting may be convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. Every quarter, the Board notes compliances of all laws applicable to the Company.

xvii. Succession Planning - the Company believes succession plans should be proactive and rigorous to identify and secure the best possible talent to oversee and manage the organisation. The succession planning process of the Board and the senior management is managed by the Nomination and Remuneration Committee ("NRC") and reviewed by the Board. The Human Resource Department on a regular basis update the NRC on the succession planning framework and seek their inputs to define a structured leadership succession plan.

xviii. The Independent Directors fullfill the conditions specified in these regulations and are independent of the management. During the year under review none of the Independent Directors have resigned from the Board of the Company.

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 six (6) statutory and non-statutory Committees:

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

1. Audit Committee

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

During the year under review, Four (4) Audit Committee Meetings were held on June 18, 2021; August 10, 2021; November 12, 2021; and February 10, 2022. The maximum time-gap between any two consecutive meetings did not exceed 120 days.

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

Name of the Director	Category	No. of Meeting Held During the Year	Numbers of meetings attended
Smt. Praveen Gupta	Independent Director - Chairman	4	4
Shri S. Jayaraman	Independent Director - Member	4	4
Shri Virjesh Kumar Gupta	Independent Director - Member	4	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 June 18, 2021; August 10, 2021; November 12, 2021 and February 10, 2022. The necessary quorum was present for all the meetings. The composition of the Nomination and Remuneration Committee and attendance of members at the meetings of the Nomination and Remuneration Committee held during the period are as follows-:

Name of the Director	Designation	No. of Meeting Held During the Year	Number of Meetings attended
Shri S. Jayara-man	Independent Director - Chairman	4	4
Shri Virjesh Kumar Gupta	Independent Director - Member	4	4
Shri Navin Shah	Independent Director - Member	4	4

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

Terms of Reference

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

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

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

d) Devising a policy on diversity of board of director

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

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

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

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

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

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

Performance evaluation criteria for Independent Directors

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

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

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

The Directors expressed their satisfaction to the above.

Details of the Remuneration for the year ended March 31, 2021:

a. Non-Executive Directors:

(₹ in Lacs)

Name	Sitting Fees (₹)
Shri Navin Shah	2.00
Shri Virjesh Kumar Gupta	2.00
Shri S. Jayaraman	2.80
Smt. Praveen Gupta	2.00

b. Chairman, Managing Director and Executive Director

(₹ in Lacs)

Name	Shri Hari Chand Aggarwal	Shri Rajesh Kumar Aggarwal	Smt. Nikunj Aggarwal
Designation	Chairman and Whole-time Director	Managing Director	Whole-time Director
Salary & Allowances	101.74	90.46	41.10
Bonus/Performance Incentive	320.40	319.80	2.05
Perquisites	0.40	0.40	0.40
Companies Contribution to PF	6.48	5.76	2.47
Stock options	NA	NA	NA
Tenure	5 years	5 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.

The remuneration to Non-Executive Directors is based on the Nomination and Remuneration Policy of the Company. The detail of the policy is available on the website of the Company with the following link https://www.insecticidesindia.com/investors-desk/

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company and its associates.

3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations, read with Section 178 of the Act.

During the year, 4 (Four) Stakeholders Relationship Committee Meetings were held as on June 18, 2021; August 10, 2021; November 12, 2021 and February 10, 2022. The necessary quorum was present for all the meetings. The composition of Stakeholders Relationship Committee meeting and number of Stakeholders Relationship Committee meetings attended by the Members during the year is given below:

Name of the Director	Designation	No. of Meeting Held During the Year	Number of Meetings attended
Shri Virjesh Kumar Gupta	Independent Director - Chairman	4	4
Shri Navin Shah	Independent Director - Member	4	4
Shri Praveen Gupta	Independent Director - Member	4	4

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

Terms of Reference

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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

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

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

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

Compliance officer

Shri Sandeep Kumar, Company Secretary & Chief Compliance Officer and 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 June 18, 2021; August 10, 2021; November 12, 2021 and February 10, 2022. The necessary quorum was present for all the meetings. The composition of Corporate Social Responsibility Committee meeting and number of Corporate Social Responsibility Committee meetings attended by the Members during the year is given below:

Name of the Director	Designation	No. of Meeting Held During the Year	Meetings attended
Hari Chand Aggarwal	Executive Director - Chairman	4	4
Rajesh Kumar Aggarwal	Executive Director - Member	4	4
Virjesh Kumar Gupta	Independent Director - Member	4	4

The Company Secretary acted as the Secretary to the Committee.

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. Risk Management Committee

Risk Management Committee has been constituted as per the requirement of Regulation 21 of the Listing Regulations. In order to strengthening Company's position in governance, risk management, sustainability and compliance (GRC) and also for the developing framework for risk management and stakeholders' value creation on sustainable basis, the Board of Directors in their meeting held on June 18, 2021 had constituted the Committee.

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

During the year under review, Two (2) Risk Management Committee Meetings were held on November 12, 2021 and February 10, 2022.

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

Name of the Director	Category	No. of Meeting Held During the Year	Numbers of meetings attended
Shri Rajesh Kumar Aggarwal	Managing Director - Chairman	2	2
Shri S. Jayaraman	Independent Director - Member	2	2
Shri Praveen Gupta	Independent Director - Member	2	2

The Company Secretary acts as the Secretary to the Risk Management Committee.

Terms of Reference

1) To formulate a detailed risk management policy which shall include:

    a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    b) Measures for risk mitigation including systems and processes for internal control of identified risks.

    c) Business continuity plan.

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4) To periodically review the risk management policy, including by considering the changing industry dynamics and evolving complexity;

5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6) To review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any) in line with the SEBI LODR regulations.

7) Advise sustainable strategy and policy on climate change, health, safety and environment, social and community matters;

8) Ensure appropriateness of the Sustainability management systems and frameworks.

9) Ensure effectiveness of the company's external reporting of sustainability performance and its participation in external benchmarking indices.

10) Ensure that a safe and healthy working environment is a primary objective and is fundamental to the Company's business operations;

11) Keep upto date with Environmental, Social and Governance (ESG) best practices and thought leadership.

12) Responsible for the oversight of diversity & inclusion (D&I) matters, people and community engagement and monitoring of corporate culture in support of the company's purpose and values, reporting to the Board on such matters as appropriate.

13) Balance non-financial targets and commitments with the sustainability strategy with the delivery of financial value for shareholders and other stakeholders.

14) Bring best practice thinking and ongoing awareness of global developments in sustainability.

15) Any other activities as per the requirement of the Listing Regulations and /or the Companies Act, 2013 and other applicable provisions or suggested norms, if any.

6. Finance Committee

The Board of Directors had re-constituted the Finance Committee and modified the term of reference of Finance Committee, during the year, 09 (Nine) Finance Committee Meetings were held as on April 04, 2021; June 18, 2021; August 05, 2021; September 14, 2021; November 12, 2021; December 20, 2021; February 02, 2022; February 10, 2022 and March 20, 2022.

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

Name of the Director	Designation	No. of Meeting Held During the Year	Number of Meetings attended
Shri Hari Chand Aggarwal	Executive Director - Chairman	9	9
Shri Rajesh Kumar Aggarwal	Executive Director - Member	9	9
Smt. Nikunj Aggarwal	Executive Director - Member	9	9
Shri Sandeep Aggarwal	Chief Financial Officer	9	9

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) and Part B of Schedule II of the Listing Regulations for the financial year ended March 31, 2022. The MD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

V. General Body Meetings

a) Annual General Meetings

Financial Year	Date	Time	Venue
2018-2019	August 02, 2019	10:30 A.M	Sri Sathya Sai International Centre, Pragati Vihar, Delhi
2019-2020	September 04, 2020	03:00 P.M	Audio Video Conferencing; Deemed Place - Registered Office of the Company
2020-2021	September 09, 2021	03:00 P.M	Audio Video Conferencing; Deemed Place - Registered Office of the Company

b) Special Resolution(s)

i. One Special Resolution was passed by the shareholders at the 24th Annual General Meeting held on September 09, 2021 of the company. 1) Ratification of the age of Mr. Virjesh Kumar Gupta (DIN: 06382540) who will attain the age of Seventy Five Years

ii. One Special Resolution was passed by the shareholders at the 23rd Annual General Meeting held on September 04, 2020 of the company. 1) Re-appointment of Smt. Praveen Gupta (DIN: 00180678) as Independent Women Director of the Company for a period of 5 years w.ef. February 15, 2020.

iii. Four Special Resolution were passed by the shareholders at the 22nd Annual General Meeting held on August 02, 2019 of the company. 1). Re-appointment Shri S. Jayaraman (DIN: 02634470) as Independent Director of the Company for a period of 5 years w.e.f. February 09, 2019. 2). Re-appointment of Shri Vinod Kumar Mittal (DIN: 07421742) as an Independent Director of the Company for a period of 5 years w.e.f. February 09, 2019. 3). Re-appointment of Shri Virjesh Kumar Gupta (DIN: 06382540) as an Independent Director of the Company for a period of 5 years w.e.f. May 31, 2019. 4). Re-appointment of Shri Navin Shah (DIN: 02701860) as an Independent Director of the Company for a period of 5 years w.e.f. May 31, 2019.

c) No Extra-Ordinary General Meeting held during Financial Year 2021-2022

d) Special Resolution passed through Postal Ballot

During the year under review, no special resolution has been passed through the exercise of postal ballot. Further, no special resolution is proposed to be conducted through postal ballot as on date.

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 https://www.insecticidesindia.com/investors-desk/ and copy of the Code of Conduct can be inspected at the registered office of the Company during the business hours.

All the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as applicable to them during the year ended March 31, 2022. The Annual Report of the Company contains declaration duly signed by the Managing Director.

d) 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.

e) Disclosures

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

The details of related party transactions with the Company are given in Note No. 38 of the Notes to Accounts of the Company. Besides this, the Company has no material transaction with the related parties' viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

The Audit Committee has set out the criteria for granting approval to related party transactions which are repetitive in nature for the period of one year i.e. for financial year 2021-22, under the category of Omnibus transaction pursuant to Regulation 23 of LODR, 2015. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given. The transactions as approved by the Audit Committee were entered at Arm's Length Price and were in ordinary course of business of the Company. These transactions have been disclosed in the Notes to Accounts of the Company and policy is available at https://www.insecticidesindia.com/investors-desk/

ii. Disclosure of Accounting Treatment

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

iii. The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Company has duly complied with the requirements of the Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

iv. The company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Company has complied with all the provisions of regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

v. Commodity Price Risks and Commodity Hedging Activities

In order to manage the Company's Foreign Exchange exposure, the Company has a dynamic Forex risk management policy to take care of exchange rate fluctuations. Commodity buys are directly leveraged between domestic and overseas suppliers based on their price and parity, close monitoring through various commodity stock exchange linked with different raw materials. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

Foreign Exchange Risk and Commodity Price Risk along with Foreign Currency exposure is given under Note No. 33 of Other Notes on Accounts of the Annual Report.

vi. The Company has policy for determining Material Subsidiaries and the same is available on the Company's website under Company Policy Section www.insecticidesindia.com

At present the Company does not have any subsidiary.

vii. 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.

viii. Vigil Mechanism (Whistle Blower) Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. No personnel has been denied the access to the Audit Committee. The said policy is available on the website of the Company on the following link https://www.insecticidesindia.com/investors-desk/

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

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

During the financial year ended on March 31, 2022, the Company has received **Nil** Complaints on sexual harassment. Also no complaints have been unresolved or are pending in respect of sexual harassment before the Company.

x. 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.

xi. 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.

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

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

xiii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company has not raised funds through preferential allotment or Qualified Institutional Placement during the year, hence, detail of this clause is not applicable.

xiv. The Board has accepted all the recommendations of the committees given time to time in their respective course of business.

xv. Fees to the Statutory Auditors of the Company:

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company is mentioned at Note No. 28(a) of Notes to standalone financial statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

xvi. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account– Not applicable

xvii. Auditors' Certificate on Corporate Governance

The Company has obtained the certificate from its Statutory Auditors regarding compliance with the provisions relating to Corporate Governance laid down in SEBI Listing Regulations. The Company has generally complied with the requirements specified in Regulation 17 to 27 and Regulation

46(2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

xviii. Certificate from Practicing Company Secretary

A certificate from the company secretary in practice confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is annexed with this Annual Report.

xix. The Company has not provided loans to firms/ companies in which directors are interested.

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 https://www.insecticidesindia.com/investors-desk/. Press Releases made by the Company from time to time are also displayed on the Company's website (http://www.insecticidesindia.com/). 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 : September 23, 2022
Time : 03:00 p.m.
Venue : The meeting will be held through VC / OAVM

As required Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM held on Friday, September 23, 2022.

ii. Financial Calendar

Financial Year : April 1 to March 31

iii. Financial Calendar (Tentative) for FY ended 2023

Result for Q1 : On and before August 14, 2022
Result for Q2 : On and before November 14, 2022
Result for Q3 : On and before February 14, 2023
Result for Q4 : On and before May 14, 2023

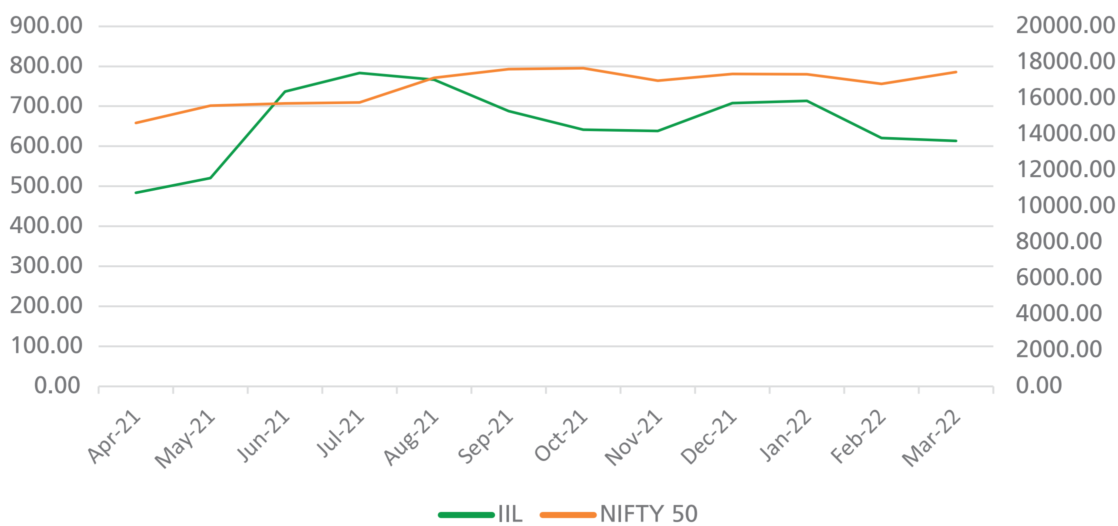
iv.	**Dividend Payment**	:	The final divided, if declared shall be paid within Statutory period
v.	**Period of Book Closure**	:	17/09/2022 to 20/09/2022 (both day inclusive) for the purpose of Annual General Meeting and Payment of Dividend
vi.	**Listing on Stock Exchanges**	:	BSE P.J. Towers, Dalal Street, Mumbai – 400 001 The National Stock Exchange of India Ltd. (NSE) "Exchange Plaza" BandraKurla Complex, Bandra(E), Mumbai – 400 051 Annual listing fee for the financial year 2021-22, has been paid by the Company to BSE and NSE. Annual custodian charges of Depository have also been paid to NSDL and CDSL.
vii.	**Stock Code / Symbol**	:	NSE - INSECTICID; BSE - 532851
viii.	**ISIN No.**	:	INE070I01018
ix.	**Corporate Identification Number (CIN) of the Company**	:	L65991DL1996PLC083909

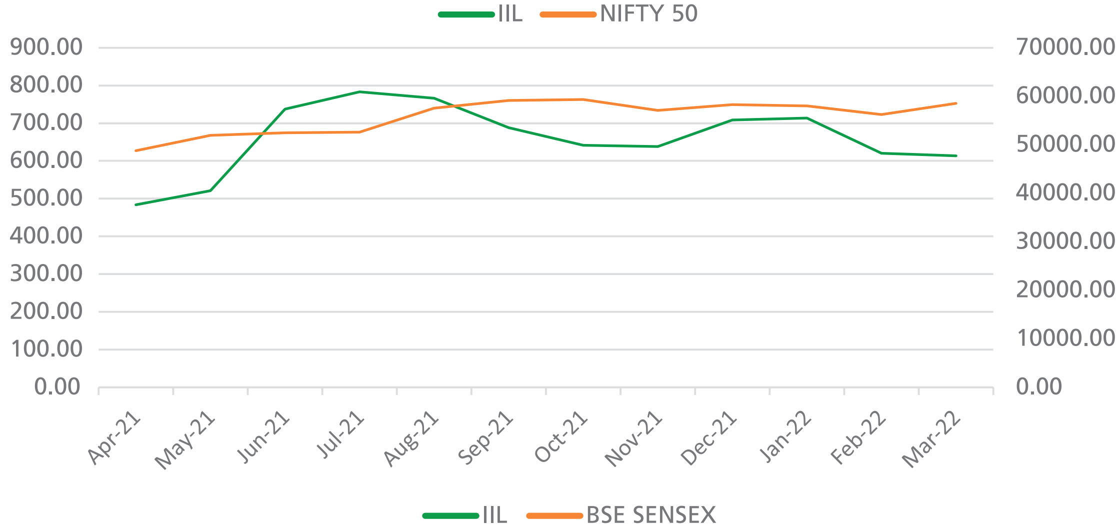
x. Market Price data:

The monthly high and low quotations, as well as the volume of shares traded at BSE and NSE for the period from 01st April, 2021 to 31st March, 2022 are given below:

Month	BSE			NSE		
	Month's High Price (₹)	Month's Low Price (₹)	Traded Quantity	Month's High Price (₹)	Month's Low Price (₹)	Traded Quantity
Apr-21	507.30	444.40	48823	493.50	442.70	656696
May-21	574.85	480.00	159565	575.00	480.00	2207818
Jun-21	807.40	521.35	477082	808.85	521.75	5116004
Jul-21	796.90	722.10	151355	797.00	722.00	1266382
Aug-21	846.00	685.35	109886	847.00	683.65	1199421
Sep-21	774.25	666.00	47765	774.30	674.15	421397
Oct-21	749.95	630.00	80877	749.05	630.10	491999
Nov-21	685.00	594.45	40249	685.60	595.00	598135
Dec-21	716.60	600.00	47181	714.00	600.15	981950
Jan-22	742.90	651.40	42877	742.70	645.00	516784
Feb-22	740.70	582.70	30168	742.00	583.00	444903
Mar-22	665.00	604.30	64549	666.00	600.60	467920

xi. Share Performance of the Company's monthly Closing in comparison to NIFTY 50 & BSE Sensex:





*Closing Price of IIL during the Month
Source: www.bseindia.com
www.nseindia.com

xi. 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

xii. 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.

xiii. Distribution of Shareholding as on March 31, 2022

a) Distribution of equity shareholding as on March 31, 2022:

Number of Shares	Number of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1 - 500	15162	95.85	874103	4.43
501 - 1000	328	2.07	251008	1.27
1001 - 2000	150	0.95	217916	1.10
2001 - 3000	50	0.32	123452	0.63
3001 - 4000	47	0.30	166166	0.84
4001 - 5000	13	0.08	58606	0.30
5001 - 10000	25	0.16	188784	0.96
10001 - 20000	12	0.08	155977	0.79
20001 - Above	32	0.20	17695879	89.68
Total	**15819**	**100**	**19731891**	**100**

b) Categories of equity shareholders as on March 31, 2022

Category	No. of shares held	% of Share-holding
Promoter and Promoter Group (A)	**14238270**	**72.16**
Public Shareholding		
Mutual Funds	1734390	**8.79**
Alternate Investment Funds	24152	**0.12**
Foreign Portfolio Investor (Corporate)	1069219	**5.42**
Individuals	1725577	**8.75**
NBFCs registered with RBI	3750	**0.02**
Any Other		
- Body Corporate	740518	**3.75**
- Trust	2793	**0.01**
- NRI	76288	**0.39**
- Resident HUF	104940	**0.53**
- Clearing Member	10916	**0.06**
- IEPF	1078	**0.01**
Total Public Shareholding (B)	**19731891**	**100**

xiv. 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, 2022, the number of shares held in dematerialized and physical mode is as under:

Category	No. of shares held	% of Share-holding
Held in Dematerialized form in CDSL	1206769	6.12
Held in Dematerialized form in NSDL	18525018	93.88
Physical	104	0.00
Total	**19731891**	**100.00**

xv. 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.

xvi. 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.

xvii. Plant Locations

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

1. E – 442, 443-444, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
2. E-439-440, RIICO Industrial Area, Chopanki, (Bhiwadi) – 301 707 (Rajasthan)
3. SIDCO Industrial Growth Centre, Samba – 184 121 (J&K)
4. II D Centre, BattalBallian, Udhampur – 182 101 (J&K)
5. CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch – 392 130 (Gujarat)
6. Plot No. Z/50, Dahej Industrial Area, SEZ Part-1, Dahej, Tal. Vagra, Dist, Bharuch, Gujarat, 392130, India

xviii. Address for Correspondence

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

To 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

IX. DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II UNDER SEBI LISTING REGULATIONS

a) The Chairman of the Board is Executive Director.

b) As the Company's Quarterly/half yearly results are published in English newspapers circulated all over India and in a Hindi newspaper circulated in Delhi (Both English and Hindi results are published, Generally in Business Standard) and also posted on the website of the Company www.insecticidesindia.com and disseminated to stock exchanges, the same are not sent to the households of the shareholders of the Company.

c) The Company is in the regime of unmodified opinions on financial statements.

d) The Internal Auditor of the Company functionally report directly to the Audit Committee.

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

(Hari Chand Aggarwal)
Chairman & WTD
DIN-00577015

(Rajesh Kumar Aggarwal)
Managing Director
DIN-00576872

Place: Delhi
Dated: August 12, 2022

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

I, Rajesh Kumar Aggarwal, Managing Director of Insecticides (India) Limited hereby declares that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2022 compliance with the Code of Conduct of the Company laid down for them.

(Rajesh Kumar Aggarwal)
Managing Director
DIN: 00576872

Place: Delhi
Date: May 26, 2022

MD / CFO CERTIFICATION

IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT (PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

1. We have reviewed Financial Statements and the Cash Flow Statement of Insecticides (India) Limited for the year ended March 31, 2022 and that to the best of our knowledge and belief:

   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit committee:

a. significant changes, if any, in internal control over financial reporting during the year;

b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c. that the fraud, which we have become aware of during the period and reported to concern authorities and established internal controls over such financial transactions.

Place: Delhi	**Rajesh Kumar Aggarwal**	**Sandeep Aggarwal**
Date: May 26, 2022	Managing Director	Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Insecticide (India) Limited having CIN L65991DL1996PLC083909 and having registered office at 401-402, Lusa Tower, Azadpur Commercial Complex Delhi 110033, India (hereinafter referred to as 'the **Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Details of Directors:

S No.	Name of Director	DIN	Date of appointment in the company
1.	Mr. Hari Chand Aggarwal	00577015	12/10/2001
2.	Mr. Rajesh Kumar Aggarwal	00576872	18/12/1996
3.	Mrs. Nikunj Aggarwal	06569091	02/05/2013
4.	Mr. Virjesh Kumar Gupta	06382540	01/06/2014
5.	Mr. Navin Shah	02701860	01/06/2014
6.	Mr. S. Jayaraman	02634470	10/02/2016
7.	Mrs. Parveen Gupta	00180678	15/02/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Disclaimer: We have not been made available with details or clarification or Non Applicability certificate, with respect to debarment or disqualification pursuant to any order from civil or criminal court and thus we are unable to conclude any opinion on attraction of disqualification by any such order which have not been presented before us for reporting.

For Akash Gupta & Associates
Company Secretaries

Sd/-
Akash Gupta
(Prop.)
M.NO. 30099
CP No. 11038

Place: New Delhi
Date: 12th August, 2022
UDIN: A030099D000796238

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

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

1) The Corporate Governance Report prepared by Insecticides (India) Limited ("the Company"), contains details as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31,2022. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

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

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

Auditor's Responsibility

3) Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4) Pursuant to the requirements of the Listing Regulations, it is our responsibility is to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance, as stipulated in Listing Regulations for the year ended March 31, 2022.

5) We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purpose issued by the Institute of Chartered Accountants of India ('ICAI'), The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7) In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above-mentioned Listing Regulations.

8) We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

FOR DEVESH PAREKH & CO
Chartered Accountants
Firm Reg. No. 013338N
(DEVESH PAREKH)
Partner
Membership No. 092160

Place: Delhi
Date: August 12, 2022
UDIN: 22092160APHZHB9050

SECRETARIAL AUDIT REPORT

Form No. MR-3

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

For the Financial Year Ended 31st March 2022

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

I have conducted the secretarial audit of the financial year ending on March 31st 2022 for the compliance of applicable statutory provisions and the adherence to good corporate practices by Insecticides (India) Limited (CIN L65991DL1996PLC083909) (hereinafter called as the "**Company**") for the financial year ended 31st March 2022 ('the year'/ 'audit period'/ 'period under review').

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ending on March 31st 2022, according to the provisions of:

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

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

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

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

Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as the case may be. -No foreign direct investment had been received by the Company during the financial year 2021-22;

a) Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004: The Company had not invested any funds outside India in Joint Venture or subsidiary during the financial year 2021-22;

b) Foreign Exchange Management (Borrowing or Lending) Regulations, 2018: The Company had not received any external commercial borrowings from outside India during the financial year 2021-22;

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

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

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

c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - The Company passed a resolution in respect of Buy back of securities from open market through stock exchange method in the Board meeting dated 30th March 2021 The Company has complied with the provisions for Buy Back of the securities..

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;-The Company has not issued any capital during the financial year 2021-22, hence the mentioned regulation is not applicable to the Company;

e) The Securities and Exchange Board of India (Share Based Employees Benefits Regulations 2014); - The Company has not come with any ESOP or ESPS or share based employee benefits during the financial year ended on March 31, 2022, hence the mentioned regulations are not applicable to the Company;

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; as the Company had not issued or listed debt securities during the financial year ending March 31, 2022, thus the said regulations are not applicable to Company;

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

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; as during the financial year ended March 31, 2022; the Company has not delisted any equity share, thus the mentioned regulations do not applicable to the Company; and

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

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

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

I hereby state that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. as applicable and mentioned above

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

a) The Insecticides Act, 1968 & the Insecticides Rules, 1971 read with the Insecticide (Amendment) Rules, 2020.

b) The Insecticides (Price, Stock, Display and Submission of Reports) Orders, 1986.

c) The Fertilizers Control Order Amendment 2013.

The management of the Company has represented and confirmed that the Company has generally complied with applicable provisions of industry specific laws as mentioned above and based upon such representation and our random test checks, I also state that Company has generally complied with applicable provisions of industry specific laws as mentioned above during the financial year 2021-22.

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. No 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. However, special resolution has been passed by the Company in its Annual General Meeting held on 9th September, 2021 for the ratification of the age of Mr. Virjesh Kumar Gupta, who has attained the age of seventy five years.

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

- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be

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

Further for the purpose of examining adequacy of compliance with other applicable laws under both Central & state legislations, reliance has been placed on reports of statutory auditors and the Compliance certificates issued by the Management at respective board meeting of the Company.

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

We further report that during the audit period, except for the following events, there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

1. The Company had passed resolution in its board resolution 30th March 2021 to Buy-Back its fully paid-up Equity Shares of the Company, the Company has bought back 935,905 (Nine Lakhs Thirty Five Thousand Nine Hundred and Five) equity shares from the open market through the stock exchanges.

2. The Company has ratified the age of appointment of Mr. Virjesh Kumar Gupta as Independent Director of the Company who has attained the age of seventy five years by passing a resolution in the Annual General Meeting of the Company held on 09th September, 2021

For M/s Akash Gupta & Associates
Practising Company Secretary

Akash Gupta
(Prop.)
Membership No. 30099
Certificate of Practice No. 11038
UDIN:A030099D000753635
Peer Review Certificate No. 2295/2022

Date: August 12, 2022
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 31.03.2022 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.

7. Due to the ongoing Covid-19 pandemic, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

For M/s Akash Gupta & Associates
Practising Company Secretary

Akash Gupta
(Prop.)
Membership No. 30099
Certificate of Practice No. 11038
UDIN:A030099D000753635
Peer Review Certificate No. 2295/2022

Date: August 12, 2022
Place: Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of Insecticides (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Insecticides (India)Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

Key Audit Matter	Auditor's Response
Recognition of Revenue	**Principal Audit Procedures**
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, 2022, the Company's Statement of Profit & Loss included Sales of ₹ 1,49,811.22 Lacs. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period. Refer to Accounting policies Note 2.2 (b) and Note No. 21 of the standalone Financial Statements.	• We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements. • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. • We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. • We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • We validated the appropriateness and completeness of the related disclosures in Note No. 21 of the Standalone financial statements.

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

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

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

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

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 39 to the standalone financial statements.

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

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 36(b) to the standalone financial statements.

(a) The company has not declared and paid any interim/final dividend during the previous year.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's registration number: 000756N

Harish Gupta
Partner
Membership number: 098336
UDIN: 22098336AJQUGQ3452

Place: New Delhi
Date : May 26, 2022

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Devesh Parekh
Partner
Membership number: 092160
UDIN: 22092160AJQSVR5222

Place: New Delhi
Date : May 26, 2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

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

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and Situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

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

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date except one of the property in which title deed is not registered in the name of company as mentioned below detail are not in the name of company.

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held –indicate range, where appropriate	Reason for not being held in name of company
Office Building	₹ 7,77.60 Lacs	ISEC Organics Limited	Related Party (Common Promoter Group)	16/02/2020	Company had approached the Municipal Corporation of Delhi for clarification of stamp duty rate on the concerned leasehold property which is pending as on date. Once the clarification is obtained, the property will be registered in the company's name. However the company is having the possession of the said property.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) Based on the information and explanation provided to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) We have been explained by the management that the inventory (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. Discrepancies of 10% or more in the aggregate for each class of inventory were not noticed.

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits against security of current assets in excess of five crore rupees, in aggregate, from banks or financial institutions. Based upon the audit procedure performed by us, the quarterly returns or statements filed by the company with such banks or financial institutions are materially in agreement with the books of account of the Company.

iii. The Company has not made investment, not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties in. Accordingly, the provision of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.

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

v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to76 of the Act or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

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, 2022.

(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* (₹ In Lacs) (A-B)
1	Gujarat Stamp Act, 1958	Stamp Duty	2013-14	Commissioner of Revenue Department, Tehsil Vagra, District Bharuch	89.60	19.60	70.00
2	Gujarat Value Added Tax Act, 2003	VAT & CST	2011-12 & 2012-13	Joint Commissioner of commercial Tax, Baroda	371.73	103.27	268.45
3	Andhra Pradesh VAT Act, 2005	VAT	2014-15	APVAT Appellate Tribunal, Visakhapatnam.	122.08	61.04	61.04
4	MP VAT Act, 2002	CST	2012-13	Assistant Commissioner , VAT, Indore	1.52	0.15	1.37
5	Central Excise Act, 1944	Excise Duty	2015-16, 2016-17 & 2017-18	Central Excise Audit Commissionerate, Jaipur	294.37	14.72	279.65
6	West Bengal VAT Act, 2004	VAT	2010-2011	Appellate Authority, VAT, West Bengal	5.70	7.29	-
7	Central Excise Act, 1944	Excise Duty	2012-13 & 2013-14	Central Excise Audit Commissionerate, Jammu	135.14	5.07	130.07
8	Central Sales Tax Act 1956	Central Sales Tax	2015-16 2016-17 and 01-04-2017 to 30-06-2017	Deputy Commissioner of Sales Tax/joint Commissioner of Sales Tax Tribunal, Maharashtra	23.12	3.26	19.86

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence.

(b) According to the information and explanations given to us and based on our examination of records, the company has not been declared wilful defaulter by any bank or financial institution or other lender government or any government authority.

(c) According to the information and explanation given to us and based on our examination of records, the company has utilized the term loan for the purpose it was taken.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanation given to us and based on our examination of records, the company has not raised loans during the year on the pledge of securities held in its Subsidiaries, joint ventures or associate companies.

x. (a) According to the information and explanation given to us and based on our examination of records, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable

xi. (a) According to the information and explanation given to us and based on our examination of records, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of audit report.

(c) According to the information and explanation given to us and based on our examination of records, no whistle blower complaints received by the Company during the year.

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

xiii. According to the information and explanation given to us and based on our examination of records, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanation given to us and based on our examination of records, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, therefore provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) According to the information and explanation given to us and based on our examination of records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(c) According to the information and explanation given to us and based on our examination of records, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(d) According to the information and explanation given to us and based on our examination of records, there are no core investment companies within the Group (as defined in the

Core Investment Companies (Reserve Bank) Directions, 2016).

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to the information and explanation given to us and based on our examination of records, in respect of ongoing projects, the company has utilised the amount of Corporate Social Responsibility (CSR) during the year, hence reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's registration number: 000756N

Harish Gupta
Partner
Membership number: 098336
UDIN: 22098336AJQUGQ3452

Place: New Delhi
Date : May 26, 2022

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Devesh Parekh
Partner
Membership number: 092160
UDIN: 22092160AJQSVR5222

Place: New Delhi
Date : May 26, 2022

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, 2022 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's registration number: 000756N

Harish Gupta
Partner
Membership number: 098336
UDIN: 22098336AJQUGQ3452

Place: New Delhi
Date : May 26, 2022

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Devesh Parekh
Partner
Membership number: 092160
UDIN: 22092160AJQSVR5222

Place: New Delhi
Date : May 26, 2022

Balance Sheet as at March 31, 2022

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

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	22,085.76	20,853.52
(b) Capital work-in-progress	3	8,576.95	5,187.22
(c) Right-of-use asset	4	2,595.84	2,584.56
(d) Intangible assets	5	616.21	441.83
(e) Intangible assets under development	5	520.62	677.54
(f) Investment in joint venture	6	795.00	795.00
(g) Financial assets			
(i) Investments	7(a)	520.34	362.00
(ii) Other financial assets	7(b)	261.55	280.45
(h) Non-current tax assets (net)	8	1,686.31	1,072.08
(i) Other non-current assets	9	1,447.17	1,534.31
Total non-current assets		**39,105.75**	**33,788.51**
2. Current assets			
(a) Inventories	10	63,022.42	66,087.25
(b) Financial Assets			
(i) Trade receivables	11(a)	28,891.23	25,458.71
(ii) Cash and cash equivalents	11(b)	3,598.30	646.36
(iii) Bank balances other than (ii) above	11(c)	15.58	7,682.94
(iv) Loans	11(d)	12.87	5.08
(v) Other financial assets	11(e)	207.48	435.03
(c) Other current assets	12	4,526.21	8,293.06
Total current assets		**100,274.09**	**108,608.43**
Total assets		**139,379.84**	**142,396.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	1,973.19	2,066.78
(b) Other Equity	14	84,748.02	79,772.98
Total equity		**86,721.21**	**81,839.76**
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15(a)	185.03	239.63
(ii) Lease liabilities	15(b)	254.31	253.35
(b) Provisions	16	161.05	276.79
(c) Deferred tax liabilities (net)	17	1,279.23	1,335.69
Total non-current liabilities		**1,879.62**	**2,105.46**
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(a)	4,754.26	9,387.75
(ii) Lease liabilities	15(b)	201.36	163.42
(iii) Trade Payables	18(b)		
(A) total outstanding due of micro enterprises and small enterprises; and		2,445.13	2,567.17
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		29,933.74	33,636.32
(iv) Other financial liabilities	18(c)	2,894.01	2,400.68
(b) Other current liabilities	19(a)	10,335.89	10,021.46
(c) Current tax liabilities (Net)	19(b)	37.91	-
(d) Provisions	20	176.71	274.92
Total current liabilities		**50,779.01**	**58,451.72**
Total equity and liabilities		**139,379.84**	**142,396.94**

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 53

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

For DEVESH PAREKH & CO.
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	21	150,395.80	142,022.58
Other Income	22	427.15	772.78
Total Income		**150,822.95**	**142,795.36**
Expenses			
Cost of raw material and components consumed	23	103,654.17	104,517.82
Purchase of Traded Goods		6,085.85	5,795.48
Changes in inventories of finished goods, work-in-progress and traded goods	24	1,010.36	(3,526.01)
Employee benefits expense	25	8,664.98	7,650.66
Finance Costs	26	663.38	665.11
Depreciation and amortization expense	27	2,634.91	2,467.18
Other expenses	28	14,012.76	12,351.54
Total expenses		**136,726.41**	**129,921.78**
Profit before tax and exceptional items		**14,096.54**	**12,873.58**
Exceptional items	49	-	970.15
Profit before tax		**14,096.54**	**11,903.43**
Tax Expenses	30		
- Current Tax		3,480.10	3,051.10
- Deferred Tax		(85.69)	(490.97)
Total Tax Expenses		**3,394.41**	**2,560.13**
Profit for the period		**10,702.13**	**9,343.30**
Other comprehensive income	31		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		158.35	117.03
Remeasurement of net defined benefit plans		(30.40)	(271.71)
Income tax relating to these items		(29.24)	41.12
Other comprehensive income for the period (net of tax)		**98.71**	**(113.56)**
Total comprehensive income for the period (net of tax)		**10,800.84**	**9,229.74**
Earnings per equity share	42		
Basic earnings per share		53.97	45.21
Diluted earnings per share		53.97	45.21

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 53

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2022

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

(A) Equity share capital (Refer note 13)

(1) Current reporting period

Particulars	Balance at the beginning of the current reporting period 01-04-2021	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31-03-2022
Equity share capital	2,066.78	-	**2,066.78**	(93.59)	**1,973.19**

(2) Previous reporting period

Particulars	Balance at the beginning of the current reporting period 01-04-2020	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31-03-2021
Equity share capital	2,066.78	-	**2,066.78**	-	**2,066.78**

(B) Other equity (Refer note 14)

Particulars	Reserves and surplus				Other reserves	Total Other Equity
	Securities premium	General reserve	Capital redemption reserve	Retained earnings	FVTOCI reserve - equity instruments	
Balance at April 1, 2020	**10,410.18**	**3,201.52**	**-**	**57,397.51**	**(52.61)**	**70,956.60**
Profit for the year				9,343.30		9,343.30
Other comprehensive income (Net of taxes)				(203.33)	89.77	(113.56)
Total comprehensive income for the period			**-**	**9,139.97**	**89.77**	**9,229.74**
Interim dividend paid during the year				(413.36)		(413.36)
Balance at March 31, 2021	**10,410.18**	**3,201.52**	**-**	**66,124.12**	**37.16**	**79,772.98**
Profit for the year				10,702.13		10,702.13
Other comprehensive income (Net of taxes)				(22.75)	121.46	98.71
Total comprehensive income for the period				**10,679.38**	**121.46**	**10,800.84**
Buy-back of share capital including expenses & taxes	(5,825.80)					(5,825.80)
Transfer on account of buy back of shares		(93.59)	93.59			-
Balance at March 31, 2022	**4,584.38**	**3,107.93**	**93.59**	**76,803.50**	**158.62**	**84,748.02**

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 53

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

For DEVESH PAREKH & CO.
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

HARISH GUPTA
Partner
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DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Statement of Cash Flow for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Cash Flow From Operating Activities		
Net profit before tax	**14,096.54**	**11,903.43**
Adjustment on account of		
- Depreciation	2,634.91	2,467.18
- (Profit)/ Loss on Sale of Assets	129.20	37.94
- Miscellaneous Income	(5.19)	(0.81)
- Interest Income	(48.58)	(251.18)
- Dividend Income	(10.22)	(9.62)
- Interest Expenses	663.38	665.11
- Bad debts written off	140.43	47.06
- Provision for impairment of trade receivables	359.99	348.99
- Derivative (gain) / loss	(116.04)	(21.86)
- Unrealised exchange differences	(102.27)	(294.65)
Operating Profit Before Working Capital Changes	**17,742.15**	**14,891.59**
Adjustments for		
- (Increase)/Decrease in security deposits	121.90	(117.81)
- (Increase)/Decrease in inventories	3,064.84	(14,160.77)
- (Increase)/Decrease in trade receivables	(3,864.94)	6,203.48
- (Increase)/Decrease in loans	(7.79)	2.74
- (Increase)/Decrease in other financial assets	302.71	94.37
- (Increase)/Decrease in other current assets	3,780.99	(2,666.99)
- Increase/(Decrease) in provisions	(244.35)	(81.99)
- Increase/(Decrease) in trade payables	(3,790.33)	11,809.90
- Increase/(Decrease) in other financial liabilities	121.70	(169.35)
- Increase/(Decrease) in other current liabilities	314.42	2,456.71
Cash generated from operations	**17,541.30**	**18,261.88**
Less: Income tax paid	(4,056.42)	(2,726.29)
Net Cash Flow from Operating Activities (A)	**13,484.88**	**15,535.59**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets, capital-work-in-progress and intangible assets under development	(6,727.91)	(4,829.79)
- Proceeds from sale of property plant and equipment	37.15	66.96
- Interest received	48.58	269.17
- Proceeds from / (investment in) bank deposits	7,563.40	(7,041.11)
- Inter Corporate Loans (Given) / Received back	-	265.00
- Dividends received	9.71	10.08
Net Cash Flow used in Investing Activities (B)	**930.93**	**(11,259.69)**
(C) Cash Flow From Financing Activities		
- Repayment due to Buyback of equity shares including premium, expenses & taxes	(5,919.39)	-
- Repayment of long term borrowings	(205.44)	(226.21)
- Proceeds from long term borrowings	150.84	298.49
- Proceeds/(Repayment) from/of short term borrowings	(4,633.49)	(9,187.37)
- Repayment of lease liabilities	(183.99)	(198.69)
- Interest paid	(672.40)	(675.53)
- Dividend paid (including dividend distribution tax)	-	(413.36)
Net Cash Flow (used in) / from Financing Activities (C)	**(11,463.87)**	**(10,402.67)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**2,951.94**	**(6,126.77)**
Cash and Cash Equivalents at the beginning of the year	646.36	6,773.13
Cash and Cash Equivalents at the end of the year	**3,598.30**	**646.36**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	3,592.17	640.03
Cash on hand	6.13	6.33
Total cash and cash equivalents	**3,598.30**	**646.36**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2021	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2022
Long term borrowings (including current maturities)	239.63	(54.60)	-	-	**185.03**
Lease liabilities (including current maturities)	416.77	(183.99)	-	222.89	**455.67**
Short term borrowings	9,387.75	(4,633.49)	-	-	**4,754.26**
	10,044.15	**(4,872.08)**	**-**	**222.89**	**5,394.96**

Particulars	As at April 1, 2020	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2021
Long term borrowings (including current maturities)	394.25	72.28	-	(226.90)	**239.63**
Lease liabilities (including current maturities)	369.03	(198.69)	-	246.43	**416.77**
Short term borrowings	18,348.22	(9,187.37)	-	226.90	**9,387.75**
	19,111.50	**(9,313.78)**	**-**	**246.43**	**10,044.15**

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 53

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

For DEVESH PAREKH & CO.
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

Rajesh Kumar Aggarwal
Managing Director
DIN: 00576872

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Notes to financial statements for the year ended March 31, 2022
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

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 26, 2022**.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provision of the Act.

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

(a) Derivative financial instruments

(b) Plan assets of defined employee benefit plans

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

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

2.2. Summary of significant accounting policies

(a) Current versus non-current classification

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

i. Expected to be realised or intended to be sold or consumed in normal operating cycle,

ii. Held primarily for the purpose of trading,

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

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle.
b) It is held primarily for the purpose of trading.
c) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

(b) Revenue recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is stated exclusive of Goods and Service Tax (GST).

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

Sales of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) financial instruments.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other income

- **Interest Income**

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

- **Dividends**

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

(c) Property, plant and equipment

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

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

Estimated useful lives of the assets are as follows:

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

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

(d) Intangible assets

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Company's intangible assets is as follows:-

Intangible assets	Useful Life (years)	Amortisation method used
Computer Software	8	Amortised on straight-line basis
Websites	2	Amortised on straight-line basis
Patents, trademarks and designs	10	Amortised on straight-line basis

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Foreign currencies

Transactions and Balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the Statement of Profit and Loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets.

(g) Fair value measurement

The Company measures financial instruments, such as, derivatives and equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy **(note 34)**
- Financial instruments (including those carried at amortised cost) **(note 7, 11, 15 and 18)**

(h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has lease contracts for various items of land, office premises, warehouses and vehicles.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of Right-of-use assets	Depreciation period
Office premises	3-5 years
Warehouses	3-5 years
Land	60-198 years

There are renewal terms that can extend the lease term for up to 2 years and are included in the lease term when it is reasonably certain that the Company will exercise the option. The right-of-use assets are also subject to impairment. Refer to the accounting policies in **section (j)** Impairment of non-financial assets.

The Right-of-use assets are presented as separate line item in the balance sheet.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The lease liabilities are presented as separate line item in the balance sheet under financial liabilities.

iii) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office premises, warehouses and vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(i) Inventories

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition. Fixed production overheads are based on normal capacity of production facilities.

Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value.

Traded goods are valued at lower of cost and net realizable value.

Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(k) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(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

Notes to financial statements for the year ended March 31, 2022

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

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:

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

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	360-720 days	More than 720 days
0.10%	0.20%	0.50%	5.00%	50.00%	100.00%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credits and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information, **refer note 15 and 18**

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

Notes to financial statements for the year ended March 31, 2022

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

The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as interest rate swaps, currency swaps, options and forward contracts to hedge its interest rate and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(q) Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

(t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. The Company has identified the Managing Director as the CODM who assesses the financial performance and makes strategic decisions. **Refer note 37** for segment information presented.

Notes to financial statements for the year ended March 31, 2022

(All amounts in ₹ 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, 2021	Addition	Sale / Adjust-ment	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation for the year: Deprecia-tion	Depreciation for the year: Disposal / Adjust-ments	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,562.76	744.10	-	9,306.86	1,233.23	302.07	-	1,535.30	7,771.56	7,329.53
Plant and machinery	17,357.33	2,683.90	281.99	19,759.24	6,017.12	1,577.40	169.68	7,424.84	12,334.40	11,340.21
Roads	1,330.39	-	-	1,330.39	768.59	153.71	-	922.30	408.09	561.80
Office equipments	139.63	22.42	4.97	157.08	89.65	16.90	3.94	102.61	54.47	49.98
Furniture & fixtures	251.61	5.45	18.70	238.36	109.01	24.75	13.00	120.76	117.60	142.60
Electrical fittings	415.88	56.67	-	472.55	227.63	54.20	-	281.83	190.72	188.25
Computers	235.25	21.12	0.16	256.21	148.69	26.66	0.05	175.30	80.91	86.56
Vehicles	1,493.94	199.78	125.04	1,568.68	427.86	179.16	77.84	529.18	1,039.50	1,066.08
Total	**29,875.30**	**3,733.44**	**430.86**	**33,177.88**	**9,021.78**	**2,334.85**	**264.51**	**11,092.12**	**22,085.76**	**20,853.52**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2020	Addi-tion	Sale / Adjust-ment	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation for the year: Depreci-ation	Depreciation for the year: Dis-posal / Adjust-ments	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,321.29	250.89	9.42	8,562.76	943.06	291.70	1.53	1,233.23	7,329.53	7,378.23
Plant and machinery	15,856.48	1,519.54	18.69	17,357.33	4,613.95	1,416.72	13.55	6,017.12	11,340.21	11,242.53
Roads	1,330.39	-	-	1,330.39	614.87	153.72	-	768.59	561.80	715.52
Office equipments	125.56	15.98	1.91	139.63	72.12	19.15	1.62	89.65	49.98	53.44
Furniture & fixtures	230.87	20.77	0.03	251.61	84.73	24.28	-	109.01	142.60	146.14
Electrical fittings	355.60	60.28	-	415.88	178.03	49.60	-	227.63	188.25	177.57
Computers	215.49	19.89	0.13	235.25	117.65	31.17	0.13	148.69	86.56	97.84
Vehicles	1,375.79	331.67	213.52	1,493.94	382.44	167.38	121.96	427.86	1,066.08	993.35
Total	**27,899.98**	**2,219.02**	**243.70**	**29,875.30**	**7,006.85**	**2,153.72**	**138.79**	**9,021.78**	**20,853.52**	**20,893.13**

Notes to financial statements for the year ended March 31, 2022

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

Details of Title deeds of immovable property not held in the name of the Company:

Line item in Balance Sheet	Description	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative#/ employee of Promoter* / Director	Property held since which date	Reason for not being held in the name of Company (Also indicate if in dispute)
PPE	Lease Hold Office Spaces bearing No. 501-510 at Lusa Tower, Azadpur Commercial Complex, Delhi – 110033 ("the Property")	777.60	ISEC Organics Limited	Related Party (Common Promoter Group)	2/16/2020	Company had approached the Municipal Corporation of Delhi for clarification of stamp duty rate on the concerned leasehold property which is pending as on date. Once the clarification is obtained, the property will be registered in the company's name. However the company is having the possession of the said property.

#Relative here means relative as defined in the Companies Act, 2013.
*Promoter here means promoter as defined in the Companies Act, 2013.

Capital Work In Progress

Cost	Amount
As at April 1, 2020	**3,288.41**
Additions	3,477.86
Capital Goods in Transit	83.02
Capitalised during the year	(1,662.07)
As at March 31, 2021	**5,187.22**
As at April 1, 2021	**5,187.22**
Additions	6,524.85
Capital Goods in Transit	-
Capitalised during the year	(3,135.12)
As at March 31, 2022	**8,576.95**

Notes to financial statements for the year ended March 31, 2022

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

CWIP Aging Schedule:
As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	6,068.29	1,331.24	527.61	649.81	**8,576.95**
Projects temporarily Suspended	-	-	-	-	-

CWIP Aging Schedule:

As at March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	3,149.24	1,355.72	594.42	87.84	**5,187.22**
Projects temporarily Suspended	-	-	-	-	-

a) **Contractual obligations -** Refer to note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) **Capital work-in-progress -** Capital work-in-progress majorly comprises expenditure in the course of construction at Dahej and Chopanki Technical Plant.

c) **Assets charged against borrowings -** Refer note 43 for property, plant and equipment pledged as security against current and non-current borrowings.

4 Right-of-Use Assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	2,241.89	-	-	2,241.89	30.17	15.66	-	45.83	2,196.06	2,211.72
Office Premises	124.48	119.99	97.24	147.23	95.67	49.95	94.77	50.85	96.38	28.81
Warehouses	629.37	126.50	181.35	574.52	285.34	151.18	165.40	271.12	303.40	344.03
Total	**2,995.74**	**246.49**	**278.59**	**2,963.64**	**411.18**	**216.79**	**260.17**	**367.80**	**2,595.84**	**2,584.56**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2020	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	2,207.97	33.92	-	2,241.89	14.67	15.50	-	30.17	2,211.72	2,193.30
Office Premises	114.01	11.47	1.00	124.48	47.43	48.75	0.51	95.67	28.81	66.58
Warehouses	396.19	245.47	12.29	629.37	141.34	147.08	3.08	285.34	344.03	254.85
Total	**2,718.17**	**290.86**	**13.29**	**2,995.74**	**203.44**	**211.33**	**3.59**	**411.18**	**2,584.56**	**2,514.73**

Notes to financial statements for the year ended March 31, 2022

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

5 Intangible assets and intangible assets under development

Intangible assets

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Addition	Sale / Adjustment	Balance as at March 31, 2022	Balance as at April 01, 2021	Amortisation for the year		Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
						Amortisation	Disposal / adjustment			
Software	187.94	43.00	98.02	132.92	129.07	14.42	98.02	45.47	87.45	58.87
Website	2.65	-	1.65	1.00	1.75	0.50	1.65	0.60	0.40	0.90
Patents, trademarks and designs	608.26	214.65	101.50	721.41	226.20	68.35	101.50	193.05	528.36	382.06
Total	**798.85**	**257.65**	**201.17**	**855.33**	**357.02**	**83.27**	**201.17**	**239.12**	**616.21**	**441.83**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2020	Addition	Sale / Adjustment	Balance as at March 31, 2021	Balance as at April 01, 2020	Amortisation for the year		Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
						Amortisation	Disposal / adjustment			
Software	186.19	1.75	-	187.94	98.08	30.99	-	129.07	58.87	88.11
Website	1.65	1.00	-	2.65	1.25	0.50	-	1.75	0.90	0.40
Patents, trademarks and designs	568.96	39.30	-	608.26	155.56	70.64	-	226.20	382.06	413.40
Total	**756.80**	**42.05**	**-**	**798.85**	**254.89**	**102.13**	**-**	**357.02**	**441.83**	**501.91**

Intangible assets under development*

Cost	Amount
As at April 1, 2020	**607.49**
Additions	111.10
Capitalised during the year	(41.05)
As at March 31, 2021	**677.54**
As at April 1, 2021	**677.54**
Additions	100.73
Capitalised during the year	(257.65)
As at March 31, 2022	**520.62**

* Intangible assets under development mainly comprises software under development and patents for which registration is awaited.

Notes to financial statements for the year ended March 31, 2022

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

Intangible Assets under Development Aging Schedule:
As at March 31, 2022

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	27.83	95.35	150.67	246.77	**520.62**
Projects temporarily Suspended	-	-	-	-	-

Intangible Assets under Development Aging Schedule:
As at March 31, 2021

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	111.09	150.67	187.86	227.92	**677.54**
Projects temporarily Suspended	-	-	-	-	-

6 Investment in joint venture

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in unquoted equity shares - Fully paid-up - At cost		
795,000 (March 31, 2021: 795,000) Equity Shares of OAT & IIL India Lab.(P) Ltd. at ₹ 100 Each	795.00	795.00
Total	**795.00**	**795.00**

7 Financial assets - non-current

7(a) Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments stated at Fair Value through OCI		
Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
72,800 (March 31, 2021: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company) *	520.34	362.00
Total	**520.34**	**362.00**
* OAT Agrio split their shares in 1:2 with face value as on 28.02.2022		
Aggregate book value of quoted investments	520.34	362.00
Aggregate market value of quoted investments	520.34	362.00

7(b) Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposit accounts with banks having remaining maturity more than twelve months	136.41	33.77
Interest accrued on fixed deposit with banks	0.36	-
Security deposits	124.78	246.68
Total	**261.55**	**280.45**

8 Non-current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	1,686.31	1,072.08
[Net of provision for tax ₹ 3,601.85 (March 31, 2021: ₹ 3,153.29)]		
Total	**1,686.31**	**1,072.08**

Notes to financial statements for the year ended March 31, 2022
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

9 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Capital advances		
-to related parties (refer note 38)	201.25	-
-to others	877.45	1,151.69
Advances other than Capital Advances		
Balances with government authorities	367.74	367.90
Prepaid expenses	0.73	14.72
Total	**1,447.17**	**1,534.31**

10 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
At the lower of cost and net realisable value		
Raw Material {NIL (March 31, 2021: ₹ 463.03) in transit}	25,405.02	27,360.29
Packing material {NIL (March 31, 2021: ₹ 20.39) in transit}	1,713.55	1,845.54
Work-in-progress	6,037.81	7,803.01
Stock-in-trade (Traded Goods) {NIL (March 31, 2021: 20.81) in transit}	1,740.89	1,132.16
Finished goods (Manufactured) {(₹ 10.91 (March 31, 2021: ₹ 262.96) in transit}	27,955.12	27,809.01
Stores, Scrap material, Spares Parts & Fuel {NIL (March 31, 2021: ₹ 3.44) in transit}	170.03	137.24
Total	**63,022.42**	**66,087.25**

11 Financial assets - current

11(a) Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
- to related parties (refer note 38)	138.62	207.41
- to others	30,213.97	26,352.67
Less: Impairment of Trade Receivables	(1,461.36)	(1,101.37)
Total (refer note 46)	**28,891.23**	**25,458.71**
Breakup of Trade Receivables		
Unsecured, considered good	28,891.23	25,458.71
Credit Impaired	1,461.36	1,101.37
Subtotal	**30,352.59**	**26,560.08**
Impairment of Trade Receivables (refer note 35)	(1,461.36)	(1,101.37)
Total	**28,891.23**	**25,458.71**
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.	-	-
- Trade or Other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.	-	6.92
- 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 35.		

Notes to financial statements for the year ended March 31, 2022

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

Trade receivable aging schedule

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	17,987.56	10,213.57	643.44	221.24	614.88	209.40	**29,890.09**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	0.73	7.59	2.03	2.09	184.56	265.50	**462.50**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**17,988.29**	**10,221.16**	**645.47**	**223.33**	**799.44**	**474.90**	**30,352.59**
Impairment of Trade Receivables	(17.93)	(25.15)	(32.27)	(111.67)	(799.44)	(474.90)	**(1,461.36)**
Net carrying amount	**17,970.36**	**10,196.01**	**613.20**	**111.66**	**-**	**-**	**28,891.23**

As at March 31, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	16,694.11	7,903.31	400.25	802.71	33.94	250.08	**26,084.40**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	14.13	2.28	6.82	184.56	93.70	174.19	**475.68**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**16,708.24**	**7,905.59**	**407.07**	**987.27**	**127.64**	**424.27**	**26,560.08**
Impairment of Trade Receivables	(16.97)	(18.44)	(20.42)	(493.63)	(127.64)	(424.27)	**(1,101.37)**
Net carrying amount	**16,691.27**	**7,887.15**	**386.65**	**493.64**	**-**	**-**	**25,458.71**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

11(b) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	3,592.17	640.03
Cash on hand	6.13	6.33
Total	**3,598.30**	**646.36**

Notes to financial statements for the year ended March 31, 2022

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

11(c) Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
In earmarked accounts		
Unpaid dividend	4.29	5.25
Balances with banks		
On current accounts *	-	1,500.00
On deposit accounts with original maturity upto three months *	-	6,009.65
On deposit accounts with remaining maturity between three and twelve months	11.29	168.04
Total	**15.58**	**7,682.94**

* Other bank balance as at March 31, 2022- Nil, March 31, 2021 includes restricted bank balances of ₹ 1,500 lacs in escrow account and ₹ 6,000 lacs in deposits respectively. The restrictions are primarily on account of bank balances held as and by way of security for performance of buy back obligations.

11(d) Loans

Particulars	Interest rate	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
Loans to employees	-	12.87	5.08
Total		**12.87**	**5.08**
Loans due from directors or other officers of the Company at the end of the period.		Nil	Nil

11(e) Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at fair value through profit and loss		
Derivative assets	84.08	9.42
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	8.65	8.15
Insurance claim recoverable	-	81.96
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	35.01	114.55
Interest subsidy recoverable	60.14	201.35
Total	**207.48**	**435.03**

12 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 38)	-	-
-to others	1,870.20	1,221.46
Advances to employees	23.80	91.98
Balances with government authorities	2,420.29	6,607.65
Prepaid expenses	211.92	371.97
Total	**4,526.21**	**8,293.06**
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	-	-

Notes to financial statements for the year ended March 31, 2022

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

13 Equity share capital

Authorised share capital	Number of shares	INR
As at April 1, 2020	25,000,000	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2021	**25,000,000**	**2,500.00**
As at April 1, 2021	25,000,000	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2022	**25,000,000**	**2,500.00**

Issued equity share capital	Number of shares	INR
Equity shares of ₹ 10 each issued, subscribed and fully paid.		
As at April 1, 2020	20,667,796	2,066.78
Increase/(decrease) during the year	-	-
At March 31, 2021	**20,667,796**	**2,066.78**
As at April 1, 2021	20,667,796	2,066.78
Increase/(decrease) during the year due to Buyback	(935,905)	(93.59)
At March 31, 2022	**19,731,891**	**1,973.19**

(a) Rights, preferences and restrictions attached to shares :

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

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% Held	Number of Shares	% Held
Nikunj Aggarwal	3,125,000	15.84	3,125,000	15.12
Sanskar Aggarwal	2,901,800	14.71	2,901,800	14.04
Pushpa Aggarwal	2,151,900	10.91	2,151,900	10.41
Rajesh Kumar Aggarwal (HUF)	1,953,000	9.90	1,953,000	9.45
HDFC Small Cap Fund	1,734,390	8.79	1,734,390	8.39
Hari Chand Aggarwal (HUF)	1,494,000	7.57	1,494,000	7.23
Rajesh Kumar Aggarwal	1,322,120	6.70	1,322,120	6.40

(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.

(d) Buyback of Shares :

The Board of Directors of the Company at its meeting held on March 30, 2021, approved Buyback of fully paid-up equity shares of face value of ₹ 10/- each of the Company at a price not exceeding ₹ 575/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding ₹ 6,000 lacs ("Maximum Buyback Size") from the open market through Stock Exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

During the year ended March 31, 2022, 9,35,905 equity shares amounting to ₹ 4,916.74 lacs were purchased from the Stock Exchanges. The Company created Capital Redemption Reserve amounting to ₹ 93.59 lacs, equivalent to the nominal value of the shares brought back as an appropriation of General Reserve. Further, the Board of Directors in their meeting held on August 10, 2021 decided to close the Buyback w.e.f closing of trading hours of August 10, 2021.

Notes to financial statements for the year ended March 31, 2022

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

Details of shares held by promoters*

As at March 31, 2022

S. No	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of ₹ 10 each fully paid	Nikunj Aggarwal	3,125,000	-	3,125,000	15.84%	-
Equity shares of ₹ 10 each fully paid	Sanskar Aggarwal	2,901,800	-	2,901,800	14.71%	-
Equity shares of ₹ 10 each fully paid	Pushpa Aggarwal	2,151,900	-	2,151,900	10.91%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal (HUF)	1,953,000	-	1,953,000	9.90%	-
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	-	1,494,000	7.57%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal	1,322,120	-	1,322,120	6.70%	-
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal	923,400	-	923,400	4.68%	-
Equity shares of ₹ 10 each fully paid	Isec Organics Limited	254,550	-	254,550	1.29%	-
Equity shares of ₹ 10 each fully paid	Kritika Aggarwal	112,500	-	112,500	0.57%	-
Total		**14,238,270**	**-**	**14,238,270**	**72.16%**	

As at March 31, 2021

S. No	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of ₹ 10 each fully paid	Nikunj Aggarwal	1,125,000	2,000,000	3,125,000	15.12%	177.78%
Equity shares of ₹ 10 each fully paid	Sanskar Aggarwal	901,800	2,000,000	2,901,800	14.04%	221.78%
Equity shares of ₹ 10 each fully paid	Pushpa Aggarwal	2,151,900	-	2,151,900	10.41%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal (HUF)	1,953,000	-	1,953,000	9.45%	-
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	-	1,494,000	7.23%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal	5,321,916	(3,999,796)	1,322,120	6.40%	-75.16%
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal	923,400	-	923,400	4.47%	-
Equity shares of ₹ 10 each fully paid	Isec Organics Limited	254,550	-	254,550	1.23%	-
Equity shares of ₹ 10 each fully paid	Kritika Aggarwal	112,500	-	112,500	0.54%	-
Total		**14,238,066**	**204**	**14,238,270**	**68.89%**	

*Promoter here means promoter as defined in the Companies Act, 2013.

** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Notes to financial statements for the year ended March 31, 2022

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

14 Other equity

a) Reserves and surplus

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	76,803.50	66,124.12
Securities premium	4,584.38	10,410.18
General reserve	3,107.93	3,201.52
Capital redemption reserve	93.59	-
Total reserves and surplus	**84,589.40**	**79,735.82**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Retained earnings		
Opening balance	66,124.12	57,397.51
Profit for the year	10,702.13	9,343.30
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of net defined benefit plans, net of tax	(22.75)	(203.33)
Final dividend paid during the year	-	-
Tax on Final dividend paid	-	-
Interim dividend paid during the year	-	(413.36)
Tax on Interim dividend paid	-	-
Closing balance	**76,803.50**	**66,124.12**
(ii) Securities premium		
Opening balance	10,410.18	10,410.18
Premium paid on Buy-back of equity share capital including expenses & taxes	(5,825.80)	-
Closing balance	**4,584.38**	**10,410.18**
(iii) General reserve		
Opening balance	3,201.52	3,201.52
Add: Appropriations	(93.59)	-
Closing balance	**3,107.93**	**3,201.52**
(iv) Capital redemption reserve		
Opening balance	-	-
Add: Appropriations	93.59	-
Closing balance	**93.59**	**-**
Total reserves and surplus	**84,589.40**	**79,735.82**

b) Other reserves

Particulars	As at March 31, 2022	As at March 31, 2021
FVTOCI reserve - equity instruments	158.62	37.16
Total other reserves	**158.62**	**37.16**

Notes to financial statements for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
i) FVTOCI reserve - equity instruments		
Opening balance	37.16	(52.61)
Change in fair value of FVTOCI equity instruments	121.46	89.77
Closing balance	**158.62**	**37.16**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 31.		
Total other equity	**84,748.02**	**79,772.98**

Nature and purpose of reserves

a) **Retained earnings -** Retained earnings is used to represent the accumulated net earnings of the Company after accounting for dividends or other distributions to the investors of the Company as per the provisions of the Companies Act, 2013.

b) **Securities premium -** Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Company may use this reserve for issuing fully paid-up bonus shares, buy-back of shares and for expenses in relation to issue of shares.

c) **General reserve -** General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares . No amount has been transferred to general reserve during the years ended March 31, 2022 & March 31, 2021.

d) **Capital redemption reserve -** As per the Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

e) **FVTOCI reserve-equity instruments -** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The company transfers amounts from this reserve within equity when the relevant equity securities are derecognised.

15 Financial liabilities - Non Current

15(a) Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Indian Rupee loan from banks		
Vehicle loans	375.29	466.53
Total	**375.29**	**466.53**
Less: Current maturities of long-term debt (included in note 18(a))	190.26	226.90
Non-current borrowings (as per balance sheet)	**185.03**	**239.63**

Nature of Security and terms of repayment for secured borrowing :

Vehicle loans

Term Loans from banks for vehicles have been secured by hypothecation of vehicles. Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Kumar Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 7.45% to 9.50% per annum.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 43.

Notes to financial statements for the year ended March 31, 2022

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

15(b) Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current	201.36	163.42
Non-current	254.31	253.35
Total	**455.67**	**416.77**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at March 31, 2022	As at March 31, 2021
Balance at April 1	**416.77**	**369.03**
Accretion of interest	49.87	42.54
Addition in lease liability	246.50	256.94
Repayment of lease liability	(233.86)	(241.23)
Derecognition of lease liability	(23.61)	(10.51)
Balance at March 31	**455.67**	**416.77**

The maturity analysis of the lease liability is included in the refer note 35.

The effective interest rate for lease liabilities is 11%, with maturity between 2021-2030

16 Long term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefit provisions		
Provision for gratuity	-	133.24
Provision for leave encashment	161.05	143.55
Total	**161.05**	**276.79**

Refer note 20 for disclosure of employee benefits.

17 Deferred tax liabilities (Net)

Particulars	As at April 1, 2021	Charge/ (credit) to Statement of Profit and Loss	Charge /(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2022
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(1,756.29)	(83.04)	-	-	(1,673.25)
Derivatives	(2.37)	18.79	-	-	(21.16)
Right-of-use asset	(93.84)	6.78	-	-	(100.62)
Investments	(11.29)	-	36.89	-	(48.18)
Total deferred tax liabilities	**(1,863.79)**	**(57.47)**	**36.89**	**-**	**(1,843.21)**
Deferred tax assets					
Impairment of Trade Receivables	277.19	(90.60)	-	-	367.79
Derivatives	10.42	10.42	-	-	0.00
Lease liabilities	101.64	(9.54)	-	-	111.18
Employee benefit provisions	138.85	61.50	(7.66)	-	85.01
Total deferred tax assets	**528.10**	**(28.22)**	**(7.66)**	**-**	**563.98**
Net deferred tax liabilities	**(1,335.69)**	**(85.69)**	**29.23**	**-**	**(1,279.23)**

Notes to financial statements for the year ended March 31, 2022

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

Particulars	As at April 1, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge / (credit) to other comprehensive income	MAT credit utilised	As at March 31, 2021
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(2,298.70)	(542.41)	-	-	(1,756.29)
Derivatives	(6.55)	(4.18)	-	-	(2.37)
Right-of-use asset	(112.32)	(18.48)	-	-	(93.84)
Investments	-	-	11.29	-	(11.29)
Total deferred tax liabilities	**(2,417.57)**	**(565.07)**	**11.29**	**-**	**(1,863.79)**
Deferred tax assets					
Investments	15.97	-	15.97	-	-
Impairment of Trade Receivables	262.91	(14.28)	-	-	277.19
Derivatives	25.37	14.95	-	-	10.42
Lease liabilities	119.05	17.41	-	-	101.64
Employee benefit provisions	126.49	56.02	(68.38)	-	138.85
Total deferred tax assets	**549.79**	**74.10**	**(52.41)**	**-**	**528.10**
Net deferred tax liabilities	**(1,867.78)**	**(490.97)**	**(41.12)**	**-**	**(1,335.69)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

18 Financial Liabilities - Current

18(a) Borrowings

Particulars	Maturity date	Interest rate	As at March 31, 2022	As at March 31, 2021
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr-22	4.25% - 4.50%	1,847.89	6,641.38
Cash credit from banks	On demand	10.95%	2,716.11	2,483.47
Current maturities of long-term borrowings (refer note 15(a))			190.26	226.90
Cheques sent for collection			-	36.00
Total			**4,754.26**	**9,387.75**

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 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 Kumar Aggarwal.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 43.

Notes to financial statements for the year ended March 31, 2022

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

18(b) Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
- to related parties (refer note 38)	196.29	360.10
- to others	32,182.58	35,843.39
Total	**32,378.87**	**36,203.49**

Particulars	As at March 31, 2022	As at March 31, 2021
(A) total outstanding due of micro enterprises and small enterprises; and	2,445.13	2,567.17
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29,933.74	33,636.32
Total	**32,378.87**	**36,203.49**

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,445.13	-	-	-	**2,445.13**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	29,912.31	21.30	0.09	0.04	**29,933.74**
(iii) Disputed dues of micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**

As at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,567.17	-	-	-	**2,567.17**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	33,570.30	25.87	37.03	3.12	**33,636.32**
(iii) Disputed dues of micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**

There are no unbilled" trade payables, hence the same is not disclosed in the ageing schedule.

Trade payables are non-interest bearing and are settled on agreed terms.

Refer note 45 for disclosure pertaining to Micro, Small & Medium Enterprises Development Act, 2006.

Notes to financial statements for the year ended March 31, 2022

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

18(c) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortised cost		
Security deposits received from customers	719.67	714.67
Creditors for capital expenditure	793.35	370.36
Interest accrued on borrowings	0.23	9.25
Employee payables		
- to related parties (refer note 38)	15.61	17.75
- to others	1,360.86	1,242.02
Unpaid dividend account	4.29	5.25
Financial liabilities at fair value through profit and loss		
Derivative liabilities	-	41.38
Total	**2,894.01**	**2,400.68**

19(a) Other current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers (refer note 46)	9,704.23	9,169.88
Statutory dues	631.66	851.58
Total	**10,335.89**	**10,021.46**

19(b) Current tax liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payable	37.91	-
Total	**37.91**	**-**

20 Short term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefit provisions		
Provision for gratuity	153.49	255.73
Provision for leave encashment	23.22	19.19
Total	**176.71**	**274.92**

(a) Defined contribution plan

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss: (note 25)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's Contribution to Employee's Provident Fund (including admin charges)	413.46	367.92
Employer's Contribution to Employee's State Insurance	13.70	20.04
Total	**427.16**	**387.96**

Notes to financial statements for the year ended March 31, 2022

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

(b) Defined benefit plan

(i) Gratuity

The company has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company provides for the liability in its books of accounts based on the actuarial valuation by applying the Projected Unit Credit Method. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The principal assumptions used in determining gratuity benefit obligations for the company's plan are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Rate of Discounting	6.90%	6.57%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	For Service 2 years and below- 27%, For Service 3 years to 4 years - 15%, For Service 5 years and above- 8%	For Service 2 years and below- 27%, For Service 3 years to 4 years - 15%, For Service 5 years and above- 8%
Mortality Rate During Employment	IALM (2012-14)	IALM (2006-08)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	1,248.95	871.02
Interest cost	80.82	59.40
Current service cost	118.56	99.68
Past service cost	-	-
Benefits paid	(29.60)	(32.08)
Actuarial (gain) / loss		
Due to change in Demographic assumptions	0.41	42.60
Due to change in financial assumptions	(32.26)	220.93
Due to change in experience	122.32	(12.60)
Closing defined benefit obligation	**1,509.20**	**1,248.95**

Changes in the Fair Value of Plan Assets are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	859.98	613.17
Interest Income	55.27	41.82
Contributions by the Employer	410.00	257.85
Benefits paid	(29.60)	(32.08)
Return on Plan Assets, Excluding Interest Income	60.06	(20.78)
Fair Value of Plan Assets at the End of the Period	**1,355.71**	**859.98**

Notes to financial statements for the year ended March 31, 2022

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

Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	(1,509.20)	(1,248.95)
Fair value of plan assets	1,355.71	859.98
Plan asset / (liability)	**(153.49)**	**(388.97)**

Expenses recognised in profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net interest cost	25.55	17.58
Current service cost	118.56	99.68
Past service cost	-	-
Net expense *	**144.11**	**117.26**

* Includes ₹ 7.79 (March 31, 2021 - ₹ 12.43) transfer to Research & Development Expenditure

Expenses recognised in other comprehensive income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gain) / loss on defined benefit obligation	90.47	250.93
Return on Plan Assets, excluding Interest Income	(60.06)	20.78
Total expense recognised in statement of other comprehensive income	**30.41**	**271.71**

Major categories of plan assets of the fair value of the total plan assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Total	In %	Total	In %
Insurance fund	1,355.71	100%	859.98	100%
Total	**1,355.71**	**100%**	**859.98**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligation (base)	1,509.20	1,248.95
Change in discount rate		
Increase by 1%	(89.79)	(77.70)
Decrease by 1%	102.29	88.82
Change in rate of salary increase		
Increase by 1%	95.27	83.92
Decrease by 1%	(87.40)	(76.15)
Change in rate of employee turnover		
Increase by 1%	(8.78)	(9.48)
Decrease by 1%	9.57	10.45

Notes to financial statements for the year ended March 31, 2022

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

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	263.78	201.64
Between 1 and 5 years	502.00	409.72
Between 5 and 10 years	622.85	512.49
More than 10 years	1,257.55	1,050.49

(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 membeINR As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

21 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Finished goods	142,156.92	134,251.07
Traded goods	7,667.30	6,959.97
Total	**149,824.22**	**141,211.04**
Other operating revenue		
Revenue from Job Work	11.79	36.46
Sale of scrap & others	106.71	88.49
Government Grants *	453.08	686.59
Total revenue from operations	**150,395.80**	**142,022.58**

* Includes GST Refund under Budgetery Support Scheme. As per the Scheme eligible units (Samba and Udhampur in Jammu & Kashmir) are entitled to receive refund of the Goods and Services Tax paid by the unit.

a) Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Notes to financial statements for the year ended March 31, 2022

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

Revenues by Geography

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Within India	136,748.50	134,731.76
Outside India	13,075.72	6,479.28
Total	**149,824.22**	**141,211.04**

Timing of revenue recognition

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
At a point in time		
Sale of finished goods	142,156.92	134,251.07
Sale of traded goods	7,667.30	6,959.97
Total	**149,824.22**	**141,211.04**

b) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contract	164,538.76	157,844.00
Adjustments for variable consideration:		
Discounts and rebates	(14,714.54)	(16,632.96)
Revenue from contracts with customers	**149,824.22**	**141,211.04**

c) Aggregate amount of the Transaction Price allocated to Performance Obligations that are unsatisfied at end of the year:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advance from Customers* (refer note 46)	9,704.23	9,169.88
Revenue recognised from amounts included in advance from customers at beginning of the year	9,169.88	7,174.31

Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

*For March 31, 2022, management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year.

22 Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
Fixed deposits with banks	46.53	246.18
Other assets	2.05	5.00
Dividend income from equity investments designated at fair value through other comprehensive income*	10.22	9.62
Other non-operating income		
Miscellaneous income	81.93	54.51
Exchange difference (net)	170.38	435.61
Net gain on fair value changes		
Derivatives at FVTPL	116.04	21.86
Total other income	**427.15**	**772.78**

* All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period.

Notes to financial statements for the year ended March 31, 2022

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

23 Cost of raw material and components consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material		
Inventory at the beginning of the year	27,360.29	17,033.79
Add: Purchases	91,686.65	105,480.29
	119,046.94	122,514.08
Less: inventory at the end of the year	25,405.02	27,360.29
Cost of raw material consumed	**93,641.92**	**95,153.79**
Packing Material		
Inventory at the beginning of the year	1,845.54	1,521.91
Add: Purchases	9,880.26	9,687.66
	11,725.80	11,209.57
Less: inventory at the end of the year	1,713.55	1,845.54
Cost of Packing material consumed	**10,012.25**	**9,364.03**
Total Cost of raw material and components consumed	**103,654.17**	**104,517.82**

24 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year		
Finished goods	27,955.12	27,809.01
Semi-finished goods	6,037.81	7,803.01
Traded goods	1,740.89	1,132.16
	35,733.82	**36,744.18**
Inventories at the beginning of the year		
Finished goods	27,809.01	25,216.93
Semi-finished goods	7,803.01	7,110.33
Traded goods	1,132.16	890.91
	36,744.18	**33,218.17**
Total (Increase)/Decrease in inventories	**1,010.36**	**(3,526.01)**

Details of inventory	Year ended March 31, 2022	Year ended March 31, 2021
Traded goods		
Powder	586.20	693.87
Liquid	799.10	215.09
Granules	355.59	223.20
Total	**1,740.89**	**1,132.16**
Finished goods		
Liquid	12,196.03	15,240.89
Powder	5,402.85	4,450.59
Granules	4,167.40	3,499.63
Technicals	6,188.84	4,617.90
Total	**27,955.12**	**27,809.01**

Notes to financial statements for the year ended March 31, 2022

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

25 Employee benefit expenses

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus		7,651.92	6,792.39
Contribution to provident and other funds	20	441.32	388.03
Gratuity expense	20	136.32	104.83
Staff welfare expenses		435.42	365.41
Total employee benefit expenses		**8,664.98**	**7,650.66**

26 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	33.00	30.65
Interest on CC Limits, buyer's credit and demand loans	366.48	286.58
Interest on Lease Liabilities	49.87	42.54
Interest (Others)	48.27	32.26
Other borrowings costs		
Bank charges	165.76	273.08
Total finance costs	**663.38**	**665.11**

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets	3	2,334.85	2,153.72
Depreciation of right-of-use assets	4	216.79	211.33
Amortization of intangible assets	5	83.27	102.13
Total depreciation and amortization expense		**2,634.91**	**2,467.18**

28 Other expenses

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares		1,166.44	865.98
Power and fuel Expenses		2,963.03	2,175.65
Transport charges		3,046.92	3,290.50
Repairs and Maintenance			
Buildings		3.67	5.52
Plant & Machinery		236.18	160.58
Others		329.06	282.85
Pollution Control Expenses		195.12	145.57
Advertising and sales promotion		467.41	525.22
Royalty		-	68.09
Commission		614.24	652.77
Travelling and conveyance		1,424.10	1,093.79
Rent	41	31.01	34.22
Insurance		266.87	276.12
Communication expenses		31.71	31.70
Printing and Stationery		25.73	21.44
Legal and Professional Fees		545.60	429.58
Director Sitting Fees	38	8.80	12.50

Notes to financial statements for the year ended March 31, 2022

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

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Payment to Auditors	28(a)	47.06	39.44
Electricity & Water Charges		66.93	67.10
Rates and taxes		41.56	19.38
Security Charges		117.08	111.21
Research & Development Expenses	29	765.44	618.67
Loss on Sale of Fixed Assets (net)		129.20	37.94
Corporate Social Responsibility Expenses	28(b)	269.73	309.13
Provision for impairment of trade receivables	35	359.99	348.99
Bad debts written off		140.43	47.06
Export Sales Expenses		431.90	416.36
Miscellaneous Expenses		287.55	264.18
Total other expenses		**14,012.76**	**12,351.54**

28(a) Details of payment to auditors (excluding taxes)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Statutory Audit Fees	45.15	39.00
In other capacity *		
Reimbursement of expenses	1.91	0.44
Total	**47.06**	**39.44**

* Excluding amount of ₹ 8.00 paid for certification for buyback of shares which is charged to Securities premium account.

28(b) Corporate social responsibility

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

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company	269.06	262.47
Shortfall of Previous Year spent during the Year	-	45.28
Total amount spent for the financial year	(269.73)	(309.13)
Amount shortfall at end of the year	**-**	**-**
Amount spent during the year on:		
(i) Construction/acquisition of an asset		
- in cash	-	-
- yet to be paid in cash	-	-
(ii) On purpose other than (i) above		
- in cash	269.73	309.13
- yet to be paid in cash	-	-
Total	**269.73**	**309.13**

The entire amount is spent through the IIL foundation which is a related party (refer note 38).

Notes to financial statements for the year ended March 31, 2022

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

29 Research & Development Expenditure

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Chopanki :		
(i) Revenue Expenditure :		
(a) Employee cost	169.95	134.70
(b) Cost of material & testing charges	11.62	22.86
(c) Other R&D expenditure	16.28	10.76
(d) Consultancy charges to OAT & IIL	293.88	335.21
(ii) Capital Expenditure	63.27	41.02
Chopanki Total	**555.00**	**544.55**
Shamli :		
(i) Revenue Expenditure :		
(a) Employee cost	110.74	95.22
(b) Cost of material & testing charges	1.96	1.50
(c) Other R&D expenditure	3.46	2.26
(ii) Capital Expenditure	32.52	10.49
Shamli Total	**148.68**	**109.47**
Dahej :		
(i) Revenue Expenditure :		
(a) Employee cost	86.82	-
(b) Cost of material & testing charges	26.62	-
(c) Other R&D expenditure	24.33	-
(ii) Capital Expenditure	99.38	-
Dahej Total	**237.15**	**-**
Total	**940.83**	**654.02**

30 Income tax expense

This note provides an analysis of the Company's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax on profits for the year	3,601.85	3,153.29
Adjustment of tax relating to earlier periods	(121.75)	(102.19)
Total current tax expense	**3,480.10**	**3,051.10**
Deferred tax		
(Decrease) increase in deferred tax liabilities	(57.47)	(565.07)
Decrease (increase) in deferred tax assets	(28.22)	74.10
Total deferred tax expense/(benefit)	**(85.69)**	**(490.97)**
Income tax expense	**3,394.41**	**2,560.13**

Notes to financial statements for the year ended March 31, 2022

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

(b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income tax expense	**14,096.54**	**11,903.43**
Tax at the Indian statutory income tax rate of 25.168% (March 31, 2021: 25.168%)*	3,547.82	2,995.86
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	-
Deduction on account of tax holiday period	-	-
Other non-deductible / (taxable) items	(31.66)	25.50
Effect of difference in tax rates used to calculate deferred tax on temporary differences*	-	(359.04)
Adjustments for current tax of earlier periods	(121.75)	(102.19)
Income tax expense	**3,394.41**	**2,560.13**

* The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the tax rate used for the current year reconciliation above are the corporate tax rates of 25.168% (March 31, 2021: 25.168%) payable by corporate entities in India on taxable profits under the Indian tax laws. The reconciliation also includes the impact of tax holidays availed by the Company under the old regime.

31 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2022

Particulars	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(22.75)	(22.75)
Gain/(loss) on FVTOCI financial assets	121.46	-	121.46
Total	**121.46**	**(22.75)**	**98.71**

During the year ended March 31, 2021

Particulars	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(203.33)	(203.33)
Gain/(loss) on FVTOCI financial assets	89.77	-	89.77
Total	**89.77**	**(203.33)**	**(113.56)**

32 Significant estimates, judgements and assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 20.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates, incentives and cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised depends on whether the Company act as an agent or as a principal in an arrangement with a customer. The Company act as a principal if the Company controls a promised goods or service before the Company transfers the goods or service to a customer and act as an agent if the Company's performance obligation is to arrange for the provision of goods or service by another party.

Estimation uncertainty relating to COVID-19 outbreak

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of all the assets (refer note 51).

Notes to financial statements for the year ended March 31, 2022

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

33 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses full currency cum interest rate swap and foreign exchange forward contracts and option contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are measured at fair value through profit or loss. These contracts are entered into for period consistent with the foreign currency exposures of the underlying transactions and with the intention to reduce the foreign exchange risk of expected purchases and sales.

Nature of instrument	As at March 31, 2022		As at March 31, 2021	
	Amount outstanding FCY	Amount outstanding ₹	Amount outstanding FCY	Amount outstanding ₹
Hedged foreign currency exposures				
Forward contract - Buy				
In respect of foreign letters of credit (USD)	60.94	4,592.68	213.77	15,795.66
In respect of import bills accepted (USD)	2.24	168.23	6.95	509.99
	63.18	**4,760.91**	**220.72**	**16,305.65**
Forward contract - Sell				
In respect of trade receivables (USD)	46.55	3,617.19	18.76	1,400.20
	46.55	**3,617.19**	**18.76**	**1,400.20**
Unhedged foreign currency exposures				
a) Payables				
Letters of credit (USD)	434.28	32,914.17	114.27	8,354.16
Import bills accepted (Trade payables) (USD)	3.94	298.61	0.96	70.19
	438.22	**33,212.78**	**115.23**	**8,424.35**
b) Receivables				
Trade receivables (USD)	-	-	9.23	675.02
Trade receivables (AED)	-	-	2.80	55.72
	-	**-**	**12.03**	**730.74**

34 Fair value measurements

(i) Financial instruments by category

Particulars	Note	As at March 31, 2022			As at March 31, 2021		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Investments							
- Equity instruments	7(a)	-	520.34	-	-	362.00	-
Security deposits	7(b)	-	-	124.78	-	-	246.68
Deposit accounts with banks having remaining maturity more than twelve months	7(b)	-	-	136.41	-	-	33.77
Interest accrued on fixed deposit with banks	7(b)	-	-	0.36	-	-	-
b) Financial assets - Current							
Trade receivables	11(a)	-	-	28,891.23	-	-	25,458.71
Cash and cash equivalents	11(b)	-	-	3,598.30	-	-	646.36
Other bank balances	11(c)	-	-	15.58	-	-	7,682.94
Loans	11(d)	-	-	12.87	-	-	5.08
Derivative assets	11(e)	84.08	-	-	9.42	-	-
Dividend receivable	11(e)	-	-	8.65	-	-	8.15

Notes to financial statements for the year ended March 31, 2022

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

Particulars	Note	As at March 31, 2022			As at March 31, 2021		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Insurance claim recoverable	11(e)	-	-	-	-	-	81.96
Litigation charges recoverable	11(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	11(e)	-	-	35.01	-	-	114.55
Interest subsidy recoverable	11(e)	-	-	60.14	-	-	201.35
Total financial assets		**84.08**	**520.34**	**32,902.93**	**9.42**	**362.00**	**34,499.15**
c) Financial liabilities - Non-current							
Borrowings	15(a)	-	-	185.03	-	-	239.63
d) Financial liabilities - Current							
Borrowings	18(a)	-	-	4,564.00	-	-	9,160.85
Trade payables	18(b)	-	-	32,378.87	-	-	36,203.49
Current maturities of long-term borrowings	18(a)	-	-	190.26	-	-	226.90
Security deposits received from customers	18(c)	-	-	719.67	-	-	714.67
Creditors for capital expenditure	18(c)	-	-	793.35	-	-	370.36
Interest accrued on borrowings	18(c)	-	-	0.23	-	-	9.25
Employee payables	18(c)	-	-	1,376.47	-	-	1,259.77
Unpaid dividend account	18(c)	-	-	4.29	-	-	5.25
Derivative liabilities	18(c)	-	-	-	41.38	-	-
Total financial liabilities		**-**	**-**	**40,212.17**	**41.38**	**-**	**48,190.17**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at March 31, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	520.34	-	-	362.00	-	-
Financial assets at FVTPL						
-Derivative assets	-	84.08	-	-	9.42	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	-	-	-	41.38	-

*The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There have been no transfers between Level 1 and Level 2 during the period.

Notes to financial statements for the year ended March 31, 2022

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

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at March 31, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	124.78	-	-	246.68
Deposit accounts with banks having remaining maturity more than twelve months	-	136.41	-	-	33.77	-
Interest accrued on fixed deposit with banks	-	0.36	-	-	-	-
Financial liabilities						
Long term borrowings (including current maturities)	-	375.29	-	-	466.53	-

There have been no transfers between Level 1 and Level 2 during the period.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

d) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	7(b)	124.78	124.78	246.68	246.68
-Deposit accounts with banks having remaining maturity more than twelve months*	7(b)	136.41	136.41	33.77	33.77
-Interest accrued on fixed deposit with banks*	7(b)	0.36	0.36	-	-
Financial liabilities					
- Long term borrowings (including current maturities)	15(a)	375.29	375.29	466.53	466.53

*The management assessed that fair values of above financial instruments is substantially equal to their carrying value due to amortised cost being calculated based on the effective interest rates, which approximates the market rates.

Notes to financial statements for the year ended March 31, 2022

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

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

35 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, security deposits, cash and cash equivalents and loans that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk that are summarised as under:-

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	a) Cash flow forecasting b) Sensitivity analysis	a) Forward exchange contracts b) Foreign currency options c) Currency swaps
Market risk - interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company has formulated the Risk Management Policy whose objective is to ensure sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risk. In order to achieve this key objective, this policy provides a prepared and well-organized approach to manage the various types of risk associated with day to day business of the Company and minimize adverse impact on its business objectives as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Credit risk management

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. Individual risk limits are set accordingly. New customers are analysed individually for creditworthiness before the Company's standard payment and delivery terms are offered. Sale limits are established for each customers and reviewed periodically.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant 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:

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

a) Actual or expected significant adverse changes in business, financial or economic conditions that are actual

b) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the company.

The maximum exposure to credit risk arising from trade receivables is provided in note 11(a)

b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's management in accordance with the policy of the Company. Counterparty credit limits are reviewed by the Company's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as illustrated in Note 7 and 11 except for derivative financial instruments.

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees and inter-corporate loans	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, 2022

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and inter-corporate loans	12.87	0%	-	12.87
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	124.78	0%	-	124.78

Notes to financial statements for the year ended March 31, 2022

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

(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	17,988.29	8,650.81	1,570.35	645.47	223.34	1,274.33	**30,352.59**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	17.94	17.30	7.85	32.27	111.67	1,274.33	**1,461.36**
Carrying amount of trade receivables (net of impairment)	**17,970.35**	**8,633.51**	**1,562.50**	**613.20**	**111.67**	**-**	**28,891.23**

Year ended March 31, 2021

(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 loans	5.08	0%	-	5.08
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	246.68	0%	-	246.68

(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	16,706.88	7,029.81	875.78	408.42	987.27	551.92	**26,560.08**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	16.95	14.06	4.38	20.42	493.64	551.92	**1,101.37**
Carrying amount of trade receivables (net of impairment)	**16,689.93**	**7,015.75**	**871.40**	**388.00**	**493.63**	**-**	**25,458.71**

Notes to financial statements for the year ended March 31, 2022

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

Reconciliation of loss allowance provision - trade receivables

Particulars	Amount
Loss allowance on March 31, 2020	**752.38**
Changes in loss allowance	348.99
Loss allowance on March 31, 2021	**1,101.37**
Changes in loss allowance	359.99
Loss allowance on March 31, 2022	**1,461.36**

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, 2022	As at March 31, 2021
Floating rate		
Short term borrowings	13,704.86	29,385.43

(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, 2022	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	190.26	185.03	-	**375.29**
Lease liabilities	15(b)	237.56	271.17	13.31	**522.04**
Short term borrowings	18(a)	4,564.00	-	-	**4,564.00**
Trade payables	18(b)	32,378.87	-	-	**32,378.87**
Security deposits received from customers	18(c)	719.67	-	-	**719.67**
Creditors for capital expenditure	18(c)	793.35	-	-	**793.35**
Interest accrued on borrowings	18(c)	0.23	-	-	**0.23**
Employee payables	18(c)	1,376.47	-	-	**1,376.47**
Unpaid dividend account	18(c)	4.29	-	-	**4.29**
Derivative liabilities	18(c)	-	-	-	**-**
Total		**40,264.70**	**456.20**	**13.31**	**40,734.21**

Notes to financial statements for the year ended March 31, 2022
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

As at March 31, 2021	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	226.90	239.63	-	**466.53**
Lease liabilities	15(b)	196.88	284.32	-	**481.20**
Short term borrowings	18(a)	9,160.85	-	-	**9,160.85**
Trade payables	18(b)	36,203.49	-	-	**36,203.49**
Security deposits received from customers	18(c)	714.67	-	-	**714.67**
Creditors for capital expenditure	18(c)	370.36	-	-	**370.36**
Interest accrued on borrowings	18(c)	9.25	-	-	**9.25**
Employee payables	18(c)	1,259.77	-	-	**1,259.77**
Unpaid dividend account	18(c)	5.25	-	-	**5.25**
Derivative liabilities	18(c)	41.38	-	-	**41.38**
Total		**48,188.80**	**523.95**	**-**	**48,712.75**

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, 2022 and March 31, 2021 the Company's hedge position is stated in Note 33. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Impact on profit before tax	
	Year ended March 31, 2022	Year ended March 31, 2021
USD sensitivity		
INR/USD - increase by 1% (March 31, 2021: 1%)	(332.13)	(77.49)
INR/USD - decrease by 1% (March 31, 2021: 1%)	332.13	77.49
AED sensitivity		
INR/AED - increase by 1% (March 31, 2021: 1%)	-	0.56
INR/AED - decrease by 1% (March 31, 2021: 1%)	-	(0.56)

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

JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (company listed on Tokyo Stock exchange)]

Particulars	Impact on other comprehensive income	
	Year ended March 31, 2022	Year ended March 31, 2021
INR/JPY - increase by 5% (March 31, 2021: 5%)	26.02	18.10
INR/JPY - decrease by 5% (March 31, 2021: 5%)	(26.02)	(18.10)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. At March 31, 2022, 100% (March 31, 2021, 100%) of the Company's total borrowings are at a fixed rate of interest. As on March 31, 2022, the Company's borrowings were mainly denominated in INR. If borrowings carry floating rate of interest, the Company swaps them into fixed rates that are lower than those available if the Company borrowed at fixed rates directly. Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings		
Long term borrowings (including current maturities)	375.29	466.53
Short term borrowings	4,564.00	9,160.85
Variable rate borrowings		
Long term borrowings (including current maturities)	-	-
Total borrowings	**4,939.29**	**9,627.38**

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, 2022			As at March 31, 2021		
	Interest rates	Interest rates	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	-	-	0.00%	-	-	0.00%
Net exposure to cash flow interest rate risk			**-**		**-**	**0.00%**

(b) Sensitivity

The Company's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is not significant hence the sensitivity is not disclosed.

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) and classified in the balance sheet as fair value through OCI (note 31).

Notes to financial statements for the year ended March 31, 2022

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

(b) Sensitivity

The Company's investment in equity shares of OAT Agrio Co. Ltd. (Co-venturer of J.V.) is publicly traded in the Japanese stock exchange. With all other variables held constant, a 10% movement in the market value of the equity instrument will increase or decrease other comprehensive income by ₹ 52.03 (March 31, 2021: ₹ 36.20).

36 Capital management

(a) Risk management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. For the purpose of the Company's capital management, net debt includes interest bearing loans and borrowings, less cash and cash equivalents. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Total debt	15(a),18(a)	4,939.29	9,627.38
(Less): Cash and cash equivalents	11(b)	(3,598.30)	(646.36)
Net debt		**1,340.99**	**8,981.02**
Total capital	13,14	86,721.21	81,839.76
Capital and net debt		**88,062.20**	**90,820.78**
Gearing ratio		**2%**	**10%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 & March 31, 2021

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, 2022	Year ended March 31, 2021
(i) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2021 : Nil (March 31, 2020 : Nil) per fully paid share	-	-
Dividend distrubution tax (DDT) on final dividend	-	-
Interim dividend for the year ended March 31, 2022 : Nil (March 31, 2021: ₹ 2) per fully paid share	-	413.36
Dividend distrubution tax (DDT) on interim dividend	-	-
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (March 31, 2021: Nil). This proposed dividend is subject to the approval of shareholders in the annual general meeting and is not recognized as a liability.	591.96	-

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

37 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing and distribution of Agro-chemicals comprising of technical and formulation, hence there is one operating segment.

Entity wide disclosures as applicable to the Company are mentioned below:-

a) Information about geographical areas:

Revenue from external customers	Year ended March 31, 2022	Year ended March 31, 2021
Within India	136,748.50	134,731.76
Outside India	13,075.72	6,479.28
Total revenue	**149,824.22**	**141,211.04**

The basis for attributing revenues from external customer is based on the country of domicile of the respective customers.

b) Revenue from Major Customers: There is no customer having revenue amounting to 10% or more of Company's total revenue.

38 Related party transactions

(i) Names of related parties and related party relationship:-

a) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)

1. Sh. Hari Chand Aggarwal - Chairman
2. Sh. Rajesh Kumar Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director

b) Key Management Personnel (KMP)

1. Sh. Sandeep Aggarwal - Chief Financial Officer
2. Sh. Sandeep Kumar Aggarwal - Company Secretary & CCO

c) Independent directors

1. Sh. Vrijesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Smt. Praveen Gupta

d) Relatives of KMPs

1. Sh. Sanjeev Aggarwal
2. Smt. Sonia Aggarwal
3. Smt. Anju Aggarwal
4. Smt. Pushpa Aggarwal
5. Smt. Kritika Aggarwal
6. Sh. Sanskar Aggarwal

e) Enterprises over which the Company exercises joint control

1. OAT & IIL India Laboratories Private Limited

f) Enterprises over which key management personnel and their relatives have control / significant influence:

1. ISEC Organics Ltd.
2. Vinod Metals Industries
3. Crystal Crop Protection Pvt. Ltd.
4. Crop Care Federation of India
5. IIL foundation
6. Indogulf Cropsciences Limited

Notes to financial statements for the year ended March 31, 2022

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

(ii) Transactions during the year with related parties:-

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Advertisement expense	**0.18**	-	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	0.18	-										
Consultancy expenses	-	-	-	-	-	-	-	-	**10.96**	**10.88**	-	-
Smt. Sonia Aggarwal									10.96	10.88		
Deputation fee income	-	-	**33.98**	**30.23**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			33.98	30.23								
Membership & Subscription expense	**17.70**	**11.80**	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	17.70	11.80										
Purchase of Capital & Consumabable Goods	**339.91**	**194.51**	-	-	-	-	-	-	-	-	-	-
Vinod Metal Industries	339.91	194.51										
Sales of Finished Goods	**570.16**	**364.05**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	85.67	2.86										
Indogulf Cropsciences Limited	484.49	361.19										
Purchases of Raw Material	**3,565.16**	**4,732.37**	-	-	-	-	-	-	-	-	-	-
Crystal Crop Protection Pvt Ltd	3,340.25	4,732.37										
Indogulf Cropsciences Limited	224.91	-										
Other Expenses	**2.60**	-	-	-	-	-	-	-	-	-	-	-
Crop Care Federation of India	2.60	-										
R & D Expenses	-	-	**346.78**	**395.54**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			346.78	395.54								
Rent paid	**33.42**	**33.42**	-	-	-	-	-	-	**2.64**	**2.64**	-	-
ISEC Organics Ltd	33.42	33.42							-	-		

Notes to financial statements for the year ended March 31, 2022

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

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Smt. Pushpa Aggarwal		-							2.64	2.64		
Purchase of Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
ISEC Organics Ltd												
Revenue from Job Work	-	-	**54.55**	**23.72**	-	-	-	-	-	-	-	-
OAT & IIL India Laboratories Private Limited			54.55	23.72								
Remuneration paid *	-	-	-	-	**876.73**	**828.76**	**52.74**	**42.45**	**45.50**	**49.85**	-	-
Sh. Hari Chand Aggarwal					422.53	395.58						
Sh. Rajesh Kumar Aggarwal					410.65	389.99						
Smt. Nikunj Aggarwal					43.55	43.19						
Sh. Sandeep Aggarwal							36.45	32.39				
Sh. Sandeep Kumar Aggarwal							16.29	10.06				
Sh. Sanjeev Aggarwal									23.04	20.78		
Smt. Anju Aggarwal									12.79	12.68		
Smt. Kritika Aggarwal									3.37	12.71		
Sh. Sanskar Aggarwal									6.30	3.68		
Contribution to CSR	**269.73**	**307.13**	-	-	-	-	-	-	-	-	-	-
IIL foundation	269.73	307.13										
Sitting fees	-	-	-	-	-	-	-	-	-	-	**8.80**	**12.50**
Sh. Vinod Kumar Mittal											-	1.50
Sh. Jayaraman Swaminathan											2.80	3.50
Smt. Praveen Gupta											2.00	2.50
Sh. Navin Shah											2.00	2.50
Sh. Vrijesh Kumar Gupta											2.00	2.50

* Excluding post employment benefits

Notes to financial statements for the year ended March 31, 2022

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

(iii) Balance outstanding with related parties

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Remuneration payable	**-**	**-**	**-**	**-**	**9.76**	**11.44**	**3.17**	**2.86**	**2.68**	**3.45**	**-**	**-**
Sh. Hari Chand Aggarwal					4.59	4.74	-	-	-	-		
Sh. Rajesh Kumar Aggarwal					3.04	4.51	-	-	-	-		
Smt. Nikunj Aggarwal					2.13	2.19	-	-	-	-		
Sh. Sandeep Aggarwal					-	-	1.92	1.76	-	-		
Sh. Sandeep Kumar Aggarwal					-	-	1.25	1.10	-	-		
Sh. Sanjeev Aggarwal					-	-	-	-	1.24	1.30		
Smt. Anju Aggarwal					-	-	-	-	0.97	0.89		
Smt. Kritika Aggarwal					-	-	-	-	-	0.79		
Sh. Sanskar Aggarwal					-	-	-	-	0.47	0.47		
Trade Payables	**195.45**	**357.21**	**-**	**-**	**-**	**-**	**-**	**-**	**0.84**	**0.86**	**-**	**2.03**
Vinod Metal Industries	178.92	105.76							-	-	-	-
Indogulf Cropsciences Limited	0.06	-							-	-	-	-
Crystal Crop Protection Ltd	16.29	251.45							-	-	-	-
Isec Organics Ltd.	-	-							-	-	-	-
Crop Care Federation of India	0.18	-							-	-	-	-
Smt. Sonia Aggarwal	-	-							0.84	0.86	-	-

Notes to financial statements for the year ended March 31, 2022

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

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Company exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Smt. Pushpa Aggarwal	-	-							-	-	-	-
Smt. Praveen Gupta	-	-							-	-	-	0.46
Sh. Jayaraman Swaminathan	-	-							-	-	-	0.65
Sh. Navin Shah	-	-							-	-	-	0.46
Sh. Vrijesh Kumar Gupta	-	-							-	-	-	0.46
Trade Receivables	**138.62**	**200.49**	**-**	**6.92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Ltd	-	2.86	-	-								
Indogulf Cropsciences Ltd	138.62	197.63	-	-								
OAT & IIL India Laboratories Private Limited	-	-	-	6.92								
Advances given	**201.25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Ltd	-	-									-	-
Isec Organics Ltd.	201.25	-									-	-
OAT & IIL India Laboratories Private Limited	-	-									-	-
Sh. Vinod Kumar Mittal	-	-									-	-
Sh. Jayaraman Swaminathan	-	-									-	-
Sh. Navin Shah	-	-									-	-
Sh. Vrijesh Kumar Gupta	-	-									-	-
Smt. Praveen Gupta	-	-									-	-

Notes to financial statements for the year ended March 31, 2022

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

iv) Key management personnel compensation

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	929.47	871.21
Post-employment benefits	22.55	26.41
Long-term employee benefits	-	-
Total	**952.02**	**897.62**

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, 2022	As at March 31, 2021
Claims against the company not acknowledged as debt		
a) Bank Guarantee	420.63	265.68
b) Excise Matter with Appellate Authority	429.51	429.51
c) Sales Tax / GST Matters	524.15	501.03
d) Revenue Department	89.60	89.60
Total	**1,463.89**	**1,285.82**

With respect to contingent liabilities reported at (b), (c) & (d) above, the management has taken an opinion from the legal advisors / professionals engaged by them and expects that the appeals will be decided in the favor of the Company. Therefore, the probability of outflow of resources is remote.

40 Commitments

Commitments with respect to:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	530.57	994.88
Other commitments		
Letter of Credits (FLC & ILC)	20,517.04	7,509.64
	21,047.61	**8,504.52**

41 Leases

The Company has lease contracts for land, office premises, warehouses and vehicles. The land leases have term ranging from 60 to 198 years, office premises and warehouses have lease terms between 1 to 5 years.

Further, the Company has leases of warehouses and vehicles which have lease term less than 12 months. The Company applies the "Short term leases" recognition exemption for such leases.

a) Amounts recognized in profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use assets (Refer Note 27)	216.79	211.33
Interest expense on lease liabilities (Refer Note 26)	49.87	42.54
Expense relating to short-term leases (included in rent) (Refer Note 28)	31.01	34.22
(Gain)/loss on termination of leases (included in miscellaneous income) (Refer Note 22)	(5.19)	(0.81)
Total	**292.48**	**287.28**

b) Extension and termination options

The Company has lease contracts that include extension and termination options. These options are negotiated by management and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Company has considered all the lease payments relating to periods following the exercise date of extension options, where such option is available with the Company in the calculation of lease liabilities. The Company has determined that it is not reasonably certain that termination options attached to lease contracts will be exercised. Therefore, such disclosures are not applicable.

42 Earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year	10,702.13	9,343.30
Weighted average number of shares (Face value ₹ 10/- each)	19,831,370	20,667,796
(a) Basic earnings per share (INR)	53.97	45.21
(b) Diluted earnings per share (INR)*	53.97	45.21

*There are no dilutive potential equity shares.

43 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Current			
Financial assets			
First charge			
Trade receivables	11(a)	28,891.23	25,458.71
Loans	11(d)	12.87	5.08
Other financial assets	11(e)	207.48	435.03
		29,111.58	**25,898.82**
Non-financial assets			
Inventories	10	63,022.42	66,087.25
Other current assets	12	1,894.00	1,313.44
Total current assets pledged as security		**94,028.00**	**93,299.51**
Non-Current			
Financial assets			
First charge			
Security deposits	7(b)	124.78	246.68
Non-financial assets			
Property, plant and equipment	3	22,085.76	20,853.52
Capital work-in-progress	3	8,576.95	5,187.22
Other non-current assets	9	1,078.70	1,151.69
Total non-currents assets pledged as security		**31,866.19**	**27,439.11**
Total assets pledged as security		**125,894.19**	**120,738.62**

44 The Board of Directors of the Company at its meeting held on March 30, 2021, approved Buyback of fully paid-up equity shares of face value of ₹ 10/- each of the Company at a price not exceeding ₹ 575/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding ₹ 6,000 lacs ("Maximum Buyback Size") from the open market through Stock Exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

During the year ended March 31, 2022, 9,35,905 equity shares amounting to ₹ 4,916.74 lacs were purchased from the Stock

Notes to financial statements for the year ended March 31, 2022

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

Exchanges. The Company created Capital Redemption Reserve amounting to ₹ 93.59 lacs, equivalent to the nominal value of the shares brought back as an appropriation of General Reserve. Further, the Board of Directors in their meeting held on August 10, 2021 decided to close the Buyback w.e.f closing of trading hours of August 10, 2021.

45 Information as required to be funished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 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, 2022	As at March 31, 2021
i Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	2.72	-
Interest	0.10	-
ii The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payments made to the supplier beyond the appointed day during each accounting Year.		
Principal Paid during FY	69.40	276.43
Interest Paid during FY*	0.69	-
iii The amount of interest due and payables for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv The amount of Interest accured and remaining unpaid at the end of each accounting year.		
Accounting year ended 31st March 2022	0.10	-
Accounting year ended 31st March 2021	-	-
v The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible enterprise under section 23 of the MSMED Act,2006.	0.10	-

*The interest has been reversed since the same was not required to be paid as per the agreement/PO

46 Contract assets and contract liabilities

The following table provides information about trade receivables and contract liabilities from contracts with the customers :

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (refer note 11(a))	28,891.23	25,458.71
Total trade receivables	**28,891.23**	**25,458.71**
Advance from customers (contract liabilities) (refer note 19(a) & 21)	9,704.23	9,169.88
Total advance from customers (contract liabilities)	**9,704.23**	**9,169.88**

47 The Company has received Refund of Terminal Excise Duty during the financial years 2014-15, 2015-16 & 2016-17 from the Director of Foreign Trade (DGFT), Ahmedabad on the basis of issuance of an Advance Release Order (**ARO**) by DGFT, Mumbai. On 28th November,2019, the Additional Director of Foreign Trade, Ahmedabad has issued show cause notice (which is primary stage of adjudication) stating that the refunds were erroneously paid by this office and directed to pay back the amount of ₹ 7,828.87 along with interest @ 15%. The Additional Director of Foreign Trade, Ahmedabad has also provided an opportunity to the Company to appear before the Authority which is mandatory requirement before adjudicating. In terms of the provisions of the Act, the Company filed the writ petition before Hon'ble Gujarat High Court against the Show Cause Notice challenging the legality of the notice and the Hon'ble court has granted interim relief and also stayed the show cause notice proceedings.

Notes to financial statements for the year ended March 31, 2022

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

48 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 March 31, 2022	Maximum Amount Outstanding during the year ended March 31, 2022	Outstanding as at March 31, 2021	Maximum Amount Outstanding during the year ended March 31, 2021
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	-	-	-	320.84
- Mentor Financial Services Pvt. Ltd (for Business purpose)	-	-	-	9.21

Note: Advances to employee as per company's policy are not considered.

49 Exceptional item for the previous year ended March 31, 2021 represented a one-time expense on account of fraud committed by two employees of the Company in collusion with 16 dealers and distributors of the Company. The said dealers and distributors had sold the goods in cash at reduced price to different customers. However, the invoices were raised in the name of Company's authorised debtors. The Company had filed FIR on July 04, 2020 in P.S. Janjgir District, Janjgir-Champa, Chhattisgarh. After internal investigation in the matter, the Company had recognized bad debts amounting to ₹ 970.15. The Company is of the view that there is no significant impact of aforesaid fraud on the general business conditions, financial position, profit & loss and liquidity position, except for the amounts already recognized.

50 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations

(i) Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116: Interest Rate Benchmark Reform – Phase 2

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setteINRWhile, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework

Notes to financial statements for the year ended March 31, 2022

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

in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc. The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Company.

(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28: Definition of "Recoverable amount"

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

(b) Standards issued but not yet effective

There are no such standards or amendment issued which are not effective as on date.

51 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, has used internal and external sources of information. Based on the Company assessment, no material impact has been noted. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have bearing on the Company's operations.

52 Ratios

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change
Current Ratio	Current assets	Current liability	1.97	1.86	6.28%
Debt-Equity Ratio *	Total debt	Total Shareholders' Equity	0.06	0.12	-51.58%
Debt Service Coverage Ratio **	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (Depreciation & amortisation) + Finance costs	Debt service = Interest & Lease Payments + Principal Repayments	2.79	1.35	106.42%
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	12.70%	12.07%	5.24%
Inventory turnover Ratio	Cost of goods sold	Average Inventory	1.72	1.81	-5.20%
Trade Receivables turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.53	4.95	11.91%

Notes to financial statements for the year ended March 31, 2022

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

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change
Trade payables turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.14	3.98	-21.03%
Net capital turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.04	2.83	7.31%
Net profit Ratio	Net Profit	Net sales = Total sales - sales return	7.12%	6.58%	8.17%
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	15.80%	14.52%	8.82%
Return on investment	OCI Income	Investment	43.74%	47.77%	-8.44%

Reasons for variance:

* Buy back of share capital along with reduction in borrowings has lead to decline in the ratio.

** Revenue and profit growth along with reduction in borrowings has resulted in an improvement in the ratio.

53 Other Amendments as per Sch III of the Companies Act, 2013

(i) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our separate report of even date annexed herewith

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

Place : Delhi
Date : May 26, 2022

FOR AND ON BEHALF OF THE BOARD

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Independent Auditor's Report

To the Members of Insecticides (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Insecticides (India) Limited** (herein referred to as " the Company") and its jointly controlled entity- Oat & IIL India Laboratories Private Limited, comprising of the Consolidated Balance Sheet as at March 31, 2022, 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 Company and its jointly controlled entity as at March 31, 2022, 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 Company and its jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Recognition of revenue 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, 2022, Consolidated Statement of Profit & Loss includes Sales of ₹1,49,824.22 Lacs. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period. Refer to Accounting policies Note 2.3 (b) and Note No. 21 of the Consolidated 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. 21 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 the other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The 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 Company and its jointly controlled entity in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Company and its jointly controlled entity are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 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 Company and of its jointly controlled entity are responsible for assessing the ability of each Company 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 Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its jointly controlled entity are responsible for overseeing the financial reporting process of each company.

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 Company and its jointly controlled entity has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its jointly controlled entity 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

The Consolidated Financial Statements include the Company's share of net profit after tax of ₹ 42.16 Lacs for the year ended March 31, 2022, in respect of one jointly controlled entity. These financial statements are audited by other auditors whose report have been furnished to us by the management. Our opinion in so far as it relates to the affairs of such jointly controlled entity, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and other auditors of companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its jointly controlled entity incorporated in India, none of the directors of the Company and its jointly controlled entity is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and its jointly controlled entity and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statement.

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the 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 Company and its jointly controlled entity. Refer Note 40 to the Consolidated Financial Statements.

ii. The Company and its jointly controlled entity have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Company and its jointly controlled entity.

iv. (a) The respective managements of the Company and its Joint Venture, incorporated within India, have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company and its Joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company and its Joint Venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective management of the Company and its Joint ventures, incorporated within India, has represented, that, to the best of its knowledge and belief, no funds have been received by the Company and its Joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and its Joint Venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on audit reports of other auditors, nothing has come to our notice that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 36(b) to the consolidated financial statements and based on review of the reports of other auditors:

(a) The company has neither declared nor paid any interim/final dividend during the previous year.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi The Joint venture company have neither declared nor paid any dividend during the year

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's registration number: 000756N

Harish Gupta
Partner
Membership number: 098336
UDIN: 22098336AJQUMD6810

Place: New Delhi
Date: May26, 2022

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Devesh Parekh
Partner
Membership number: 092160
UDIN: 22092160AJQSYV9787

Place: New Delhi
Date :May 26,2022

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, 2022, 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 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, 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, 2022 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Reporting on the adequacy of the Internal Financial Controls with reference to financial statement of the jointly controlled entity and the operating effectiveness of such controls, under Section 143(3)(i) of the Act is not applicable as per report of the auditors of such company.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's registration number: 000756N

Harish Gupta
Partner
Membership number: 098336
UDIN: 22098336AJQUMD6810

Place: New Delhi
Date: May26, 2022

For **Devesh Parekh & Co.**
Chartered Accountants
Firm's registration number: 013338N

Devesh Parekh
Partner
Membership number: 092160
UDIN: 22092160AJQSYV9787

Place: New Delhi
Date :May 26,2022

Consolidated Balance Sheet as at March 31, 2022

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

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	22,085.76	20,853.52
(b) Capital work-in-progress	3	8,576.95	5,187.22
(c) Right-of-use asset	4	2,595.84	2,584.56
(d) Intangible assets	5	616.21	441.83
(e) Intangible assets under development	5	520.62	677.54
(f) Investment in joint venture	6	1,034.91	992.75
(g) Financial assets			
(i) Investments	7(a)	520.34	362.00
(ii) Other financial assets	7(b)	261.55	280.45
(h) Non-current tax assets (net)	8	1,686.31	1,072.08
(i) Other non-current assets	9	1,447.17	1,534.31
Total non-current assets		**39,345.66**	**33,986.26**
2. Current assets			
(a) Inventories	10	63,022.42	66,087.25
(b) Financial Assets			
(i) Trade receivables	11(a)	28,891.23	25,458.71
(ii) Cash and cash equivalents	11(b)	3,598.30	646.36
(iii) Bank balances other than (ii) above	11(c)	15.58	7,682.94
(iv) Loans	11(d)	12.87	5.08
(v) Other financial assets	11(e)	207.48	435.03
(c) Other current assets	12	4,526.21	8,293.06
Total current assets		**100,274.09**	**108,608.43**
Total assets		**139,619.75**	**142,594.69**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	1,973.19	2,066.78
(b) Other Equity	14	84,987.93	79,970.73
Total equity		**86,961.12**	**82,037.51**
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15(a)	185.03	239.63
(ii) Lease liabilities	15(b)	254.31	253.35
(b) Provisions	16	161.05	276.79
(c) Deferred tax liabilities (net)	17	1,279.23	1,335.69
Total non-current liabilities		**1,879.62**	**2,105.46**
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(a)	4,754.26	9,387.75
(ii) Lease liabilities	15(b)	201.36	163.42
(iii) Trade Payables	18(b)		
(A) total outstanding due of micro enterprises and small enterprises; and		2,445.13	2,567.17
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		29,933.74	33,636.32
(iv) Other financial liabilities	18(c)	2,894.01	2,400.68
(b) Other current liabilities	19(a)	10,335.89	10,021.46
(c) Current tax liabilities (Net)	19(b)	37.91	-
(d) Provisions	20	176.71	274.92
Total current liabilities		**50,779.01**	**58,451.72**
Total equity and liabilities		**139,619.75**	**142,594.69**

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 55
As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	21	150,395.80	142,022.58
Other Income	22	427.15	772.78
Total Income		**150,822.95**	**142,795.36**
Expenses			
Cost of raw material and components consumed	23	103,654.17	104,517.82
Purchase of Traded Goods		6,085.85	5,795.48
Changes in inventories of finished goods, work-in-progress and traded goods	24	1,010.36	(3,526.01)
Employee benefits expense	25	8,664.98	7,650.66
Finance Costs	26	663.38	665.11
Depreciation and amortization expense	27	2,634.91	2,467.18
Other expenses	28	14,012.76	12,351.54
Total expenses		**136,726.41**	**129,921.78**
Profit before tax, exceptional items and share of net profit of investment accounted for using equity method		**14,096.54**	**12,873.58**
Exceptional items	50	-	970.15
Profit before tax and share of net profits of investments accounted for using equity method		**14,096.54**	**11,903.43**
Share of net profit of joint venture accounted for using the equity method		40.69	47.00
Profit before tax		**14,137.23**	**11,950.43**
Tax Expenses	30		
- Current Tax		3,480.10	3,051.10
- Deferred Tax		(85.69)	(490.97)
Total Tax Expenses		**3,394.41**	**2,560.13**
Profit for the period		**10,742.82**	**9,390.30**
Other comprehensive income	31		
Items that will not be reclassified to profit or loss			
Changes in fair value of FVTOCI equity instruments		158.35	117.03
Remeasurement of net defined benefit plans		(30.40)	(271.71)
Share of other comprehensive income of joint venture accounted for using the equity method		1.96	1.69
Income tax relating to these items		(29.73)	40.69
Other comprehensive income for the period (net of tax)		**100.18**	**(112.30)**
Total comprehensive income for the period (net of tax)		**10,843.00**	**9,278.00**
Earnings per equity share	43		
Basic earnings per share		54.17	45.43
Diluted earnings per share		54.17	45.43

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 55

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

For DEVESH PAREKH & CO.
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
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HARISH GUPTA
Partner
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Firm Registration No. - 000756N

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

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

(A) Equity share capital (Refer note 13)

(1) Current reporting period

Particulars	Balance at the beginning of the current reporting period 01-04-2021	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31-03-2022
Equity share capital	2,066.78	-	**2,066.78**	(93.59)	**1,973.19**

(2) Previous reporting period

Particulars	Balance at the beginning of the current reporting period 01-04-2020	Changes in Equity share Capital due to prior period items	Restated Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31-03-2021
Equity share capital	2,066.78	-	**2,066.78**	-	**2,066.78**

(B) Other equity (Refer note 14)

Particulars	Reserves and surplus				Other reserves	Total Other Equity
	Securities premium	General reserve	Capital redemption reserve	Retained earnings	FVTOCI reserve - equity instruments	
Balance at April 1, 2020	**10,410.18**	**3,201.52**	**-**	**57,546.99**	**(52.61)**	**71,106.08**
Profit for the year				9,390.30		9,390.30
Other comprehensive income (Net of taxes)				(202.06)	89.77	(112.29)
Total comprehensive income for the period			**-**	**9,188.24**	**89.77**	**9,278.01**
Interim dividend paid during the year				(413.36)		(413.36)
Balance at March 31, 2021	**10,410.18**	**3,201.52**	**-**	**66,321.87**	**37.16**	**79,970.73**
Profit for the year				10,742.82		10,742.82
Other comprehensive income (Net of taxes)				(21.28)	121.46	100.18
Total comprehensive income for the period				**10,721.54**	**121.46**	**10,843.00**
Buy-back of share capital including expenses & taxes	(5,825.80)					(5,825.80)
Transfer on account of buy back of shares		(93.59)	93.59			-
Balance at March 31, 2022	**4,584.38**	**3,107.93**	**93.59**	**77,043.41**	**158.62**	**84,987.93**

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 55

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

For DEVESH PAREKH & CO.
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
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HARISH GUPTA
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DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Consolidated Statement of Cash Flow for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Cash Flow From Operating Activities		
Net profit before tax	**14,137.23**	**11,950.43**
Adjustment on account of		
- Share of Net Profit of Joint Venture	(40.69)	(47.00)
- Depreciation	2,634.91	2,467.18
- (Profit)/ Loss on Sale of Assets	129.20	37.94
- Miscellaneous Income	(5.19)	(0.81)
- Interest Income	(48.58)	(251.18)
- Dividend Income	(10.22)	(9.62)
- Interest Expenses	663.38	665.11
- Bad debts written off	140.43	47.06
- Provision for impairment of trade receivables	359.99	348.99
- Derivative (gain) / loss	(116.04)	(21.86)
- Unrealised exchange differences	(102.27)	(294.65)
Operating Profit Before Working Capital Changes	**17,742.15**	**14,891.59**
Adjustments for		
- (Increase)/Decrease in security deposits	121.90	(117.81)
- (Increase)/Decrease in inventories	3,064.84	(14,160.77)
- (Increase)/Decrease in trade receivables	(3,864.94)	6,203.48
- (Increase)/Decrease in loans	(7.79)	2.74
- (Increase)/Decrease in other financial assets	302.71	94.37
- (Increase)/Decrease in other current assets	3,780.99	(2,666.99)
- Increase/(Decrease) in provisions	(244.35)	(81.99)
- Increase/(Decrease) in trade payables	(3,790.33)	11,809.90
- Increase/(Decrease) in other financial liabilities	121.70	(169.35)
- Increase/(Decrease) in other current liabilities	314.42	2,456.71
Cash generated from operations	**17,541.30**	**18,261.88**
Less: Income tax paid	(4,056.42)	(2,726.29)
Net Cash Flow from Operating Activities (A)	**13,484.88**	**15,535.59**
(B) Cash Flow From Investing Activities		
- Addition to property, plant and equipment and intangible assets, capital-work-in-progress and intangible assets under development	(6,727.91)	(4,829.79)
- Proceeds from sale of property plant and equipment	37.15	66.96
- Interest received	48.58	269.17
- Proceeds from / (investment in) bank deposits	7,563.40	(7,041.11)
- Inter Corporate Loans (Given) / Received back	-	265.00
- Dividends received	9.71	10.08
Net Cash Flow used in Investing Activities (B)	**930.93**	**(11,259.69)**
(C) Cash Flow From Financing Activities		
- Repayment due to Buyback of equity shares including premium, expenses & taxes	(5,919.39)	-
- Repayment of long term borrowings	(205.44)	(226.21)
- Proceeds from long term borrowings	150.84	298.49
- Proceeds/(Repayment) from/of short term borrowings	(4,633.49)	(9,187.37)
- Repayment of lease liabilities	(183.99)	(198.69)
- Interest paid	(672.40)	(675.53)
- Dividend paid (including dividend distribution tax)	-	(413.36)
Net Cash Flow (used in) / from Financing Activities (C)	**(11,463.87)**	**(10,402.67)**
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**2,951.94**	**(6,126.77)**
Cash and Cash Equivalents at the beginning of the year	646.36	6,773.13
Cash and Cash Equivalents at the end of the year	**3,598.30**	**646.36**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	3,592.17	640.03
Cash on hand	6.13	6.33
Total cash and cash equivalents	**3,598.30**	**646.36**

Non cash changes in liabilities arising from financial liablities :

Particulars	As at April 1, 2021	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2022
Long term borrowings (including current maturities)	239.63	(54.60)	-	-	**185.03**
Lease liabilities (including current maturities)	416.77	(183.99)	-	222.89	**455.67**
Short term borrowings	9,387.75	(4,633.49)	-	-	**4,754.26**
	10,044.15	**(4,872.08)**	**-**	**222.89**	**5,394.96**

Particulars	As at April 1, 2020	Cash flows	Unrealised exchange difference	Other non cash changes	As at March 31, 2021
Long term borrowings (including current maturities)	394.25	72.28	-	(226.90)	**239.63**
Lease liabilities (including current maturities)	369.03	(198.69)	-	246.43	**416.77**
Short term borrowings	18,348.22	(9,187.37)	-	226.90	**9,387.75**
	19,111.50	**(9,313.78)**	**-**	**246.43**	**10,044.15**

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 55

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

For DEVESH PAREKH & CO.
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

Notes to consolidated financial statements for the year ended March 31, 2022

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

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 26, 2022**.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provision of the Act.

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

(a) Derivative financial instruments

(b) Plan assets of defined employee benefit plans

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

The financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency, and all values are rounded to the nearest lacs, except when otherwise indicated. Figures appearing as "0.00" represent amounts below ₹ 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 Statement of Profit and Loss and Other Comprehensive Income of the Group, respectively. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

(c) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

(d) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the Group.

(e) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.

(f) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognised in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as an associate or as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

(g) With respect to consolidation of OAT and IIL India Laboratories Private Limited, the Group has considered the ownership ratio of 20% as prescribed in the joint venture agreement for recognising its share of profits/ losses.

Notes to consolidated financial statements for the year ended March 31, 2022

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

2.2. **Summary of significant accounting policies**

(a) **Current versus non-current classification**

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

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

b) Held primarily for the purpose of trading,

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

All other liabilities are classified as non-current.

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

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

(b) **Revenue recognition**

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is stated exclusive of Goods and Service Tax (GST).

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

Sales of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

In respect of Company's Joint Venture

Revenue from Research & Development services are recognized when services are rendered, and related cost is incurred over a period of time.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) financial instruments.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other income

Interest Income

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

Notes to consolidated financial statements for the year ended March 31, 2022

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

Dividends

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

(c) **Property, plant and equipment**

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

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

Estimated useful lives of the assets are as follows:

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

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

(d) **Intangible assets**

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Group's intangible assets is as follows:-

Notes to consolidated financial statements for the year ended March 31, 2022

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

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 Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the 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 34)**
- Financial instruments (including those carried at amortised cost) **(note 7, 11, 15 and 18)**

(h) **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group has lease contracts for various items of land, office premises, warehouses and vehicles.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of Right-of-use assets	Depreciation period
Office premises	3-5 years
Warehouses	3-5 years
Land	60-198 years

There are renewal terms that can extend the lease term for up to 2 years and are included in the lease term when it is reasonably certain that the Group will exercise the option. The right-of-use assets are also subject to impairment. Refer to the accounting policies in **section (j)** Impairment of non-financial assets.

The Right-of-use assets are presented as separate line item in the balance sheet.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The lease liabilities are presented as separate line item in the balance sheet under financial liabilities.

iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises, warehouses and vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Notes to consolidated financial statements for the year ended March 31, 2022

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

(i) **Inventories**

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition. Fixed production overheads are based on normal capacity of production facilities.

Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value.

Traded goods are valued at lower of cost and net realizable value.

Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) **Impairment of non-financial assets**

The 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, contingent liabilities and contingent assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(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 Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is unfunded.

Re-measurement, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

(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 Group's consolidated balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

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:

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

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 Group's financial liabilities include trade and other payables, loans and borrowings including cash credits and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information, **refer note 15 and 18.**

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the 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

Notes to consolidated financial statements for the year ended March 31, 2022

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

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 Group'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 Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(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.

(s) **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

(t) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend and attributable taxes by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) **Segment reporting**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. The Group has identified the Managing Director as the CODM who assesses the financial performance and makes strategic decisions. **Refer note 38** for segment information presented.

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ 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, 2021	Addition	Sale / Adjustment	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,562.76	744.10	-	9,306.86	1,233.23	302.07	-	1,535.30	7,771.56	7,329.53
Plant and machinery	17,357.33	2,683.90	281.99	19,759.24	6,017.12	1,577.40	169.68	7,424.84	12,334.40	11,340.21
Roads	1,330.39	-	-	1,330.39	768.59	153.71	-	922.30	408.09	561.80
Office equipments	139.63	22.42	4.97	157.08	89.65	16.90	3.94	102.61	54.47	49.98
Furniture & fixtures	251.61	5.45	18.70	238.36	109.01	24.75	13.00	120.76	117.60	142.60
Electrical fittings	415.88	56.67	-	472.55	227.63	54.20	-	281.83	190.72	188.25
Computers	235.25	21.12	0.16	256.21	148.69	26.66	0.05	175.30	80.91	86.56
Vehicles	1,493.94	199.78	125.04	1,568.68	427.86	179.16	77.84	529.18	1,039.50	1,066.08
Total	**29,875.30**	**3,733.44**	**430.86**	**33,177.88**	**9,021.78**	**2,334.85**	**264.51**	**11,092.12**	**22,085.76**	**20,853.52**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2020	Addition	Sale / Adjustment	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation for the year: Depreciation	Depreciation for the year: Disposal / Adjustments	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold land	88.51	-	-	88.51	-	-	-	-	88.51	88.51
Buildings	8,321.29	250.89	9.42	8,562.76	943.06	291.70	1.53	1,233.23	7,329.53	7,378.23
Plant and machinery	15,856.48	1,519.54	18.69	17,357.33	4,613.95	1,416.72	13.55	6,017.12	11,340.21	11,242.53
Roads	1,330.39	-	-	1,330.39	614.87	153.72	-	768.59	561.80	715.52
Office equipments	125.56	15.98	1.91	139.63	72.12	19.15	1.62	89.65	49.98	53.44
Furniture & fixtures	230.87	20.77	0.03	251.61	84.73	24.28	-	109.01	142.60	146.14
Electrical fittings	355.60	60.28	-	415.88	178.03	49.60	-	227.63	188.25	177.57
Computers	215.49	19.89	0.13	235.25	117.65	31.17	0.13	148.69	86.56	97.84
Vehicles	1,375.79	331.67	213.52	1,493.94	382.44	167.38	121.96	427.86	1,066.08	993.35
Total	**27,899.98**	**2,219.02**	**243.70**	**29,875.30**	**7,006.85**	**2,153.72**	**138.79**	**9,021.78**	**20,853.52**	**20,893.13**

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

Details of Title deeds of immovable property not held in the name of the Group:

Line item in Balance Sheet	Description	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative#/ employee of Promoter* / Director	Property held since which date	Reason for not being held in the name of Company (Also indicate if in dispute)
PPE	Lease Hold Office Spaces bearing No. 501-510 at Lusa Tower, Azadpur Commercial Complex, Delhi – 110033 ("the Property")	777.60	ISEC Organics Limited	Related Party (Common Promoter Group)	2/16/2020	Group had approached the Municipal Corporation of Delhi for clarification of stamp duty rate on the concerned leasehold property which is pending as on date. Once the clarification is obtained, the property will be registered in the Group's name. However the Group is having the possession of the said property.

#Relative here means relative as defined in the Companies Act, 2013.
*Promoter here means promoter as defined in the Companies Act, 2013.

Capital Work In Progress

Cost	Amount
As at April 1, 2020	**3,288.41**
Additions	3,477.86
Capital Goods in Transit	83.02
Capitalised during the year	(1,662.07)
As at March 31, 2021	**5,187.22**
As at April 1, 2021	**5,187.22**
Additions	6,524.85
Capital Goods in Transit	-
Capitalised during the year	(3,135.12)
As at March 31, 2022	**8,576.95**

CWIP Aging Schedule:
As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	6,068.29	1,331.24	527.61	649.81	**8,576.95**
Projects temporarily Suspended	-	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2022

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

CWIP Aging Schedule:

As at March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	3,149.24	1,355.72	594.42	87.84	**5,187.22**
Projects temporarily Suspended	-	-	-	-	-

a) **Contractual obligations -** Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) **Capital work-in-progress -** Capital work-in-progress majorly comprises expenditure in the course of construction at Dahej and Chopanki Technical Plant.

c) **Assets charged against borrowings -** Refer note 44 for property, plant and equipment pledged as security against current and non-current borrowings.

4 Right-of-Use Assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2022	Balance as at April 01, 2021	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	2,241.89	-	-	2,241.89	30.17	15.66	-	45.83	2,196.06	2,211.72
Office Premises	124.48	119.99	97.24	147.23	95.67	49.95	94.77	50.85	96.38	28.81
Warehouses	629.37	126.50	181.35	574.52	285.34	151.18	165.40	271.12	303.40	344.03
Total	**2,995.74**	**246.49**	**278.59**	**2,963.64**	**411.18**	**216.79**	**260.17**	**367.80**	**2,595.84**	**2,584.56**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2020	Additions / Modifications during the year	Disposal / Derecognition during the year	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation expense	Disposal / Derecognized during the year	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	2,207.97	33.92	-	2,241.89	14.67	15.50	-	30.17	2,211.72	2,193.30
Office Premises	114.01	11.47	1.00	124.48	47.43	48.75	0.51	95.67	28.81	66.58
Warehouses	396.19	245.47	12.29	629.37	141.34	147.08	3.08	285.34	344.03	254.85
Total	**2,718.17**	**290.86**	**13.29**	**2,995.74**	**203.44**	**211.33**	**3.59**	**411.18**	**2,584.56**	**2,514.73**

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

5 Intangible assets and intangible assets under development

Intangible assets

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2021	Addition	Sale / Adjustment	Balance as at March 31, 2022	Balance as at April 01, 2021	Amortisation for the year: Amortisation	Amortisation for the year: Disposal / adjustment	Balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	187.94	43.00	98.02	132.92	129.07	14.42	98.02	45.47	87.45	58.87
Website	2.65	-	1.65	1.00	1.75	0.50	1.65	0.60	0.40	0.90
Patents, trademarks and designs	608.26	214.65	101.50	721.41	226.20	68.35	101.50	193.05	528.36	382.06
Total	**798.85**	**257.65**	**201.17**	**855.33**	**357.02**	**83.27**	**201.17**	**239.12**	**616.21**	**441.83**

Description of Assets	GROSS CARRYING AMOUNT				ACCUMULATED AMORTISATION				NET CARRYING AMOUNT	
	Balance as at April 01, 2020	Addition	Sale / Adjustment	Balance as at March 31, 2021	Balance as at April 01, 2020	Amortisation for the year: Amortisation	Amortisation for the year: Disposal / adjustment	Balance as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software	186.19	1.75	-	187.94	98.08	30.99	-	129.07	58.87	88.11
Website	1.65	1.00	-	2.65	1.25	0.50	-	1.75	0.90	0.40
Patents, trademarks and designs	568.96	39.30	-	608.26	155.56	70.64	-	226.20	382.06	413.40
Total	**756.80**	**42.05**	**-**	**798.85**	**254.89**	**102.13**	**-**	**357.02**	**441.83**	**501.91**

Intangible assets under development*

Cost	Amount
As at April 1, 2020	**607.49**
Additions	111.10
Capitalised during the year	(41.05)
As at March 31, 2021	**677.54**
As at April 1, 2021	**677.54**
Additions	100.73
Capitalised during the year	(257.65)
As at March 31, 2022	**520.62**

* Intangible assets under development mainly comprises software under development and patents for which registration is awaited.

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

Intangible Assets under Development Aging Schedule:
As at March 31, 2022

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	27.83	95.35	150.67	246.77	**520.62**
Projects temporarily Suspended	-	-	-	-	-

Intangible Assets under Development Aging Schedule:
As at March 31, 2021

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress	111.09	150.67	187.86	227.92	**677.54**
Projects temporarily Suspended	-	-	-	-	-

6 Investment in joint venture

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in unquoted equity shares - Fully paid-up - At cost		
795,000 (March 31, 2021: 795,000) Equity Shares of OAT & IIL India Lab.(P) Ltd. at ₹ 100 Each	1,034.91	992.75
Total	**1,034.91**	**992.75**

*Refer note 37

7 Financial assets - non-current

7(a) Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments stated at Fair Value through OCI		
Investments in equity instruments - Quoted (fully paid) - Listed at Tokyo Stock Exchange		
72,800 (March 31, 2021: 36,400) equity shares of OAT Agrio Co. Ltd. (Co-venturer of Joint venture company) *	520.34	362.00
Total	**520.34**	**362.00**
* OAT Agrio split their shares in 1:2 with face value as on 28.02.2022		
Aggregate book value of quoted investments	520.34	362.00
Aggregate market value of quoted investments	520.34	362.00

7(b) Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost (Unsecured, considered good unless otherwise stated)		
Deposit accounts with banks having remaining maturity more than twelve months	136.41	33.77
Interest accrued on fixed deposit with banks	0.36	-
Security deposits	124.78	246.68
Total	**261.55**	**280.45**

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

8 Non-current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	1,686.31	1,072.08
[Net of provision for tax ₹ 3,601.85 (March 31, 2021: ₹ 3,153.29)]		
Total	**1,686.31**	**1,072.08**

9 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Capital advances		
-to related parties (refer note 39)	201.25	-
-to others	877.45	1,151.69
Advances other than Capital Advances		
Balances with government authorities	367.74	367.90
Prepaid expenses	0.73	14.72
Total	**1,447.17**	**1,534.31**

10 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
At the lower of cost and net realisable value		
Raw Material {NIL (March 31, 2021: ₹ 463.03) in transit}	25,405.02	27,360.29
Packing material {NIL (March 31, 2021: ₹ 20.39) in transit}	1,713.55	1,845.54
Work-in-progress	6,037.81	7,803.01
Stock-in-trade (Traded Goods) {NIL (March 31, 2021: 20.81) in transit}	1,740.89	1,132.16
Finished goods (Manufactured) {(₹ 10.91 (March 31, 2021: ₹ 262.96) in transit}	27,955.12	27,809.01
Stores, Scrap material, Spares Parts & Fuel {NIL (March 31, 2021: ₹ 3.44) in transit}	170.03	137.24
Total	**63,022.42**	**66,087.25**

11 Financial assets - current

11(a) Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
- to related parties (refer note 39)	138.62	207.41
- to others	30,213.97	26,352.67
Less: Impairment of Trade Receivables	(1,461.36)	(1,101.37)
Total (refer note 47)	**28,891.23**	**25,458.71**
Breakup of Trade Receivables		
Unsecured, considered good	28,891.23	25,458.71
Credit Impaired	1,461.36	1,101.37
Subtotal	**30,352.59**	**26,560.08**
Impairment of Trade Receivables (refer note 35)	(1,461.36)	(1,101.37)
Total	**28,891.23**	**25,458.71**
- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.	-	-
- Trade or Other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.	-	6.92
- 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 35.		

Notes to consolidated financial statements for the year ended March 31, 2022

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

Trade receivable aging schedule

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	17,987.56	10,213.57	643.44	221.24	614.88	209.40	**29,890.09**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	0.73	7.59	2.03	2.09	184.56	265.50	**462.50**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**17,988.29**	**10,221.16**	**645.47**	**223.33**	**799.44**	**474.90**	**30,352.59**
Impairment of Trade Receivables	(17.93)	(25.15)	(32.27)	(111.67)	(799.44)	(474.90)	**(1,461.36)**
Net carrying amount	**17,970.36**	**10,196.01**	**613.20**	**111.66**	**-**	**-**	**28,891.23**

As at March 31, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	16,694.11	7,903.31	400.25	802.71	33.94	250.08	**26,084.40**
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	**-**
(iii) Disputed Trade Receivables considered good	14.13	2.28	6.82	184.56	93.70	174.19	**475.68**
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	**-**
Gross carrying amount	**16,708.24**	**7,905.59**	**407.07**	**987.27**	**127.64**	**424.27**	**26,560.08**
Impairment of Trade Receivables	(16.97)	(18.44)	(20.42)	(493.63)	(127.64)	(424.27)	**(1,101.37)**
Net carrying amount	**16,691.27**	**7,887.15**	**386.65**	**493.64**	**-**	**-**	**25,458.71**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

11(b) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	3,592.17	640.03
Cash on hand	6.13	6.33
Total	**3,598.30**	**646.36**

11(c) Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
In earmarked accounts		
Unpaid dividend	4.29	5.25
Balances with banks		
On current accounts *	-	1,500.00
On deposit accounts with original maturity upto three months *	-	6,009.65
On deposit accounts with remaining maturity between three and twelve months	11.29	168.04
Total	**15.58**	**7,682.94**

* Other bank balance as at March 31, 2022- Nil, March 31, 2021 includes restricted bank balances of ₹ 1,500 lacs in escrow account and ₹ 6,000 lacs in deposits respectively. The restrictions are primarily on account of bank balances held as and by way of security for performance of buy back obligations.

11(d) Loans

Particulars	Interest rate	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
Loans to employees	-	12.87	5.08
Total		**12.87**	**5.08**
Loans due from directors or other officers of the Group at the end of the period.		Nil	Nil

11(e) Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at fair value through profit and loss		
Derivative assets	84.08	9.42
Measured at amortised cost (unsecured, considered good)		
Dividend receivable	8.65	8.15
Insurance claim recoverable	-	81.96
Litigation charges recoverable	19.60	19.60
Export incentive recoverable	35.01	114.55
Interest subsidy recoverable	60.14	201.35
Total	**207.48**	**435.03**

12 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers		
-to related parties (refer note 39)	-	-
-to others	1,870.20	1,221.46
Advances to employees	23.80	91.98
Balances with government authorities	2,420.29	6,607.65
Prepaid expenses	211.92	371.97
Total	**4,526.21**	**8,293.06**
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	-	-

13 Equity share capital

Particulars	Number of shares	INR
Authorised share capital		
As at April 1, 2020	25,000,000	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2021	**25,000,000**	**2,500.00**
As at April 1, 2021	25,000,000	2,500.00
Increase/(decrease) during the year	-	-
At March 31, 2022	**25,000,000**	**2,500.00**
Issued equity share capital		
Equity shares of ₹ 10 each issued, subscribed and fully paid.		
As at April 1, 2020	20,667,796	2,066.78
Increase/(decrease) during the year	-	-
At March 31, 2021	**20,667,796**	**2,066.78**
As at April 1, 2021	20,667,796	2,066.78
Increase/(decrease) during the year due to Buyback	(935,905)	(93.59)
At March 31, 2022	**19,731,891**	**1,973.19**

(a) Rights, preferences and restrictions attached to shares :

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

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% Held	Number of Shares	% Held
Nikunj Aggarwal	3,125,000	15.84	3,125,000	15.12
Sanskar Aggarwal	2,901,800	14.71	2,901,800	14.04
Pushpa Aggarwal	2,151,900	10.91	2,151,900	10.41
Rajesh Kumar Aggarwal (HUF)	1,953,000	9.90	1,953,000	9.45
HDFC Small Cap Fund	1,734,390	8.79	1,734,390	8.39
Hari Chand Aggarwal (HUF)	1,494,000	7.57	1,494,000	7.23
Rajesh Kumar Aggarwal	1,322,120	6.70	1,322,120	6.40

(c) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date

The Group 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.

(d) Buyback of Shares :

The Board of Directors of the Company at its meeting held on March 30, 2021, approved Buyback of fully paid-up equity shares of face value of ₹ 10/- each of the Company at a price not exceeding ₹ 575/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding ₹ 6,000 lacs ("Maximum Buyback Size") from the open market through Stock Exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

During the year ended March 31, 2022, 9,35,905 equity shares amounting to ₹ 4,916.74 lacs were purchased from the Stock Exchanges. The Company created Capital Redemption Reserve amounting to ₹ 93.59 lacs, equivalent to the nominal value of the shares brought back as an appropriation of General Reserve. Further, the Board of Directors in their meeting held on August 10, 2021 decided to close the Buyback w.e.f closing of trading hours of August 10, 2021.

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

Details of shares held by promoters*

As at March 31, 2022

S. No	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of ₹ 10 each fully paid	Nikunj Aggarwal	3,125,000	-	3,125,000	15.84%	-
Equity shares of ₹ 10 each fully paid	Sanskar Aggarwal	2,901,800	-	2,901,800	14.71%	-
Equity shares of ₹ 10 each fully paid	Pushpa Aggarwal	2,151,900	-	2,151,900	10.91%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal (HUF)	1,953,000	-	1,953,000	9.90%	-
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	-	1,494,000	7.57%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal	1,322,120	-	1,322,120	6.70%	-
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal	923,400	-	923,400	4.68%	-
Equity shares of ₹ 10 each fully paid	Isec Organics Limited	254,550	-	254,550	1.29%	-
Equity shares of ₹ 10 each fully paid	Kritika Aggarwal	112,500	-	112,500	0.57%	-
Total		**14,238,270**	**-**	**14,238,270**	**72.16%**	

As at March 31, 2021

S. No	Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year**
Equity shares of ₹ 10 each fully paid	Nikunj Aggarwal	1,125,000	2,000,000	3,125,000	15.12%	177.78%
Equity shares of ₹ 10 each fully paid	Sanskar Aggarwal	901,800	2,000,000	2,901,800	14.04%	221.78%
Equity shares of ₹ 10 each fully paid	Pushpa Aggarwal	2,151,900	-	2,151,900	10.41%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal (HUF)	1,953,000	-	1,953,000	9.45%	-
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal (HUF)	1,494,000	-	1,494,000	7.23%	-
Equity shares of ₹ 10 each fully paid	Rajesh Kumar Aggarwal	5,321,916	(3,999,796)	1,322,120	6.40%	-75.16%
Equity shares of ₹ 10 each fully paid	Hari Chand Aggarwal	923,400	-	923,400	4.47%	-
Equity shares of ₹ 10 each fully paid	Isec Organics Limited	254,550	-	254,550	1.23%	-
Equity shares of ₹ 10 each fully paid	Kritika Aggarwal	112,500	-	112,500	0.54%	-
Total		**14,238,066**	**204**	**14,238,270**	**68.89%**	

*Promoter here means promoter as defined in the Companies Act, 2013.

** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Notes to consolidated financial statements for the year ended March 31, 2022

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

14 Other equity

a) Reserves and surplus

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	77,043.41	66,321.87
Securities premium	4,584.38	10,410.18
General reserve	3,107.93	3,201.52
Capital redemption reserve	93.59	-
Total reserves and surplus	**84,829.31**	**79,933.57**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Retained earnings		
Opening balance	66,321.87	57,546.99
Profit for the year	10,742.82	9,390.30
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of net defined benefit plans, net of tax	(21.28)	(202.06)
Final dividend paid during the year	-	-
Tax on Final dividend paid	-	-
Interim dividend paid during the year	-	(413.36)
Tax on Interim dividend paid	-	-
Closing balance	**77,043.41**	**66,321.87**
(ii) Securities premium		
Opening balance	10,410.18	10,410.18
Premium paid on Buy-back of equity share capital including expenses & taxes	(5,825.80)	-
Closing balance	**4,584.38**	**10,410.18**
(iii) General reserve		
Opening balance	3,201.52	3,201.52
Add: Appropriations	(93.59)	-
Closing balance	**3,107.93**	**3,201.52**
(iv) Capital redemption reserve		
Opening balance	-	-
Add: Appropriations	93.59	-
Closing balance	**93.59**	**-**
Total reserves and surplus	**84,829.31**	**79,933.57**

b) Other reserves

Particulars	As at March 31, 2022	As at March 31, 2021
FVTOCI reserve - equity instruments	158.62	37.16
Total other reserves	**158.62**	**37.16**

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

Particulars	As at March 31, 2022	As at March 31, 2021
i) FVTOCI reserve - equity instruments		
Opening balance	37.16	(52.61)
Change in fair value of FVTOCI equity instruments	121.46	89.77
Closing balance	**158.62**	**37.16**
The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 31.		
Total other equity	**84,987.93**	**79,970.73**

Nature and purpose of reserves

a) **Retained earnings -** Retained earnings is used to represent the accumulated net earnings of the Group after accounting for dividends or other distributions to the investors of the Group as per the provisions of the Companies Act, 2013.

b) **Securities premium -** Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Group may use this reserve for issuing fully paid-up bonus shares, buy-back of shares and for expenses in relation to issue of shares.

c) **General reserve -** General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares. No amount has been transferred to general reserve during the years ended March 31, 2022 & March 31, 2021.

d) **Capital redemption reserve -** As per the Companies Act, 2013, capital redemption reserve is created when group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

e) **FVTOCI reserve-equity instruments -** 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.

15 Financial liabilities - Non Current

15(a) Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Indian Rupee loan from banks		
Vehicle loans	375.29	466.53
Total	**375.29**	**466.53**
Less: Current maturities of long-term debt (included in note 18(a))	190.26	226.90
Non-current borrowings (as per balance sheet)	**185.03**	**239.63**

Nature of Security and terms of repayment for secured borrowing :

Vehicle loans

Term Loans from banks for vehicles have been secured by hypothecation of vehicles. Further, vehicles loans have been guaranteed by the personal guarantee of the directors- Mr. Hari Chand Aggarwal and Mr. Rajesh Kumar Aggarwal. These loans are repayable in 36 monthly installments from the date of the loans along with interest rates ranging between 7.45% to 9.50% per annum.

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 44.

15(b) Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current	201.36	163.42
Non-current	254.31	253.35
Total	**455.67**	**416.77**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at April 1	**416.77**	**369.03**
Accretion of interest	49.87	42.54
Addition in lease liability	246.50	256.94
Repayment of lease liability	(233.86)	(241.23)
Derecognition of lease liability	(23.61)	(10.51)
Balance at March 31	**455.67**	**416.77**

The maturity analysis of the lease liability is included in the refer note 35.
The effective interest rate for lease liabilities is 11%, with maturity between 2021-2030

16 Long term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefit provisions		
Provision for gratuity	-	133.24
Provision for leave encashment	161.05	143.55
Total	**161.05**	**276.79**

Refer note 20 for disclosure of employee benefits.

17 Deferred tax liabilities (Net)

Particulars	As at April 1, 2021	Charge/ (credit) to Statement of Profit and Loss	Charge / (credit) to other comprehensive income	MAT credit utilised	As at March 31, 2022
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(1,756.29)	(83.04)	-	-	(1,673.25)
Derivatives	(2.37)	18.79	-	-	(21.16)
Right-of-use asset	(93.84)	6.78	-	-	(100.62)
Investments	(11.29)	-	36.89	-	(48.18)
Total deferred tax liabilities	**(1,863.79)**	**(57.47)**	**36.89**	**-**	**(1,843.21)**
Deferred tax assets					
Impairment of Trade Receivables	277.19	(90.60)	-	-	367.79
Derivatives	10.42	10.42	-	-	0.00
Lease liabilities	101.64	(9.54)	-	-	111.18
Employee benefit provisions	138.85	61.50	(7.66)	-	85.01
Total deferred tax assets	**528.10**	**(28.22)**	**(7.66)**	**-**	**563.98**
Net deferred tax liabilities	**(1,335.69)**	**(85.69)**	**29.23**	**-**	**(1,279.23)**

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

Particulars	As at April 1, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge / (credit) to other comprehensive income	MAT credit utilised	As at March 31, 2021
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(2,298.70)	(542.41)	-	-	(1,756.29)
Derivatives	(6.55)	(4.18)	-	-	(2.37)
Right-of-use asset	(112.32)	(18.48)	-	-	(93.84)
Investments	-	-	11.29	-	(11.29)
Total deferred tax liabilities	**(2,417.57)**	**(565.07)**	**11.29**	**-**	**(1,863.79)**
Deferred tax assets					
Investments	15.97	-	15.97	-	-
Impairment of Trade Receivables	262.91	(14.28)	-	-	277.19
Derivatives	25.37	14.95	-	-	10.42
Lease liabilities	119.05	17.41	-	-	101.64
Employee benefit provisions	126.49	56.02	(68.38)	-	138.85
Total deferred tax assets	**549.79**	**74.10**	**(52.41)**	**-**	**528.10**
Net deferred tax liabilities	**(1,867.78)**	**(490.97)**	**(41.12)**	**-**	**(1,335.69)**

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.

18 Financial Liabilities - Current

18(a) Borrowings

Particulars	Maturity date	Interest rate	As at March 31, 2022	As at March 31, 2021
Secured				
Working Capital facilities from Banks				
Loans repayable on demand				
Working capital demand loans	Apr-22	4.25% - 4.50%	1,847.89	6,641.38
Cash credit from banks	On demand	10.95%	2,716.11	2,483.47
Current maturities of long-term borrowings (refer note 15(a))			190.26	226.90
Cheques sent for collection			-	36.00
Total			**4,754.26**	**9,387.75**

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 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 Kumar Aggarwal.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 44.

Notes to consolidated financial statements for the year ended March 31, 2022

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

18(b) Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
- to related parties (refer note 39)	196.29	360.10
- to others	32,182.58	35,843.39
Total	**32,378.87**	**36,203.49**

Particulars	As at March 31, 2022	As at March 31, 2021
(A) total outstanding due of micro enterprises and small enterprises; and	2,445.13	2,567.17
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29,933.74	33,636.32
Total	**32,378.87**	**36,203.49**

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,445.13	-	-	-	**2,445.13**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	29,912.31	21.30	0.09	0.04	**29,933.74**
(iii) Disputed dues of micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**

As at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from date of transaction				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed outstanding dues of micro enterprises and small enterprises	-	-	2,567.17	-	-	-	**2,567.17**
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	33,570.30	25.87	37.03	3.12	**33,636.32**
(iii) Disputed dues of micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil	Nil	**-**

There are no unbilled" trade payables, hence the same is not disclosed in the ageing schedule.

Trade payables are non-interest bearing and are settled on agreed terms.

Refer note 46 for disclosure pertaining to Micro, Small & Medium Enterprises Development Act, 2006.

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

18(c) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortised cost		
Security deposits received from customers	719.67	714.67
Creditors for capital expenditure	793.35	370.36
Interest accrued on borrowings	0.23	9.25
Employee payables		
- to related parties (refer note 39)	15.61	17.75
- to others	1,360.86	1,242.02
Unpaid dividend account	4.29	5.25
Financial liabilities at fair value through profit and loss		
Derivative liabilities	-	41.38
Total	**2,894.01**	**2,400.68**

19(a) Other current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers (refer note 47)	9,704.23	9,169.88
Statutory dues	631.66	851.58
Total	**10,335.89**	**10,021.46**

19(b) Current tax liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payable	37.91	-
Total	**37.91**	**-**

20 Short term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefit provisions		
Provision for gratuity	153.49	255.73
Provision for leave encashment	23.22	19.19
Total	**176.71**	**274.92**

(a) Defined contribution plan

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss: (note 25)	Year ended March 31, 2022	Year ended March 31, 2021
Employer's Contribution to Employee's Provident Fund (including admin charges)	413.46	367.92
Employer's Contribution to Employee's State Insurance	13.70	20.04
Total	**427.16**	**387.96**

(b) Defined benefit plan

(i) Gratuity

The Group has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Group provides for the liability in its books of accounts based on the actuarial valuation by applying the Projected Unit Credit Method. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

Notes to consolidated financial statements for the year ended March 31, 2022

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

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The principal assumptions used in determining gratuity benefit obligations for the company's plan are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Rate of Discounting	6.90%	6.57%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	For Service 2 years and below- 27%, For Service 3 years to 4 years - 15%, For Service 5 years and above- 8%	For Service 2 years and below- 27%, For Service 3 years to 4 years - 15%, For Service 5 years and above- 8%
Mortality Rate During Employment	IALM (2012-14)	IALM (2006-08)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	1,248.95	871.02
Interest cost	80.82	59.40
Current service cost	118.56	99.68
Past service cost	-	-
Benefits paid	(29.60)	(32.08)
Actuarial (gain) / loss		
Due to change in Demographic assumptions	0.41	42.60
Due to change in financial assumptions	(32.26)	220.93
Due to change in experience	122.32	(12.60)
Closing defined benefit obligation	**1,509.20**	**1,248.95**

Changes in the Fair Value of Plan Assets are as follows:	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	859.98	613.17
Interest Income	55.27	41.82
Contributions by the Employer	410.00	257.85
Benefits paid	(29.60)	(32.08)
Return on Plan Assets, Excluding Interest Income	60.06	(20.78)
Fair Value of Plan Assets at the End of the Period	**1,355.71**	**859.98**

Reconciliation of fair value of plan assets and defined benefit obligation:	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	(1,509.20)	(1,248.95)
Fair value of plan assets	1,355.71	859.98
Plan asset / (liability)	**(153.49)**	**(388.97)**

Expenses recognised in profit and loss	Year ended March 31, 2022	Year ended March 31, 2021
Net interest cost	25.55	17.58
Current service cost	118.56	99.68
Past service cost	-	-
Net expense *	**144.11**	**117.26**

* Includes ₹ 7.79 (March 31, 2021 - ₹ 12.43) transfer to Research & Development Expenditure

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

Expenses recognised in other comprehensive income	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gain) / loss on defined benefit obligation	90.47	250.93
Return on Plan Assets, excluding Interest Income	(60.06)	20.78
Total expense recognised in statement of other comprehensive income	**30.41**	**271.71**

Major categories of plan assets of the fair value of the total plan assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Total	In %	Total	In %
Insurance fund	1,355.71	100%	859.98	100%
Total	**1,355.71**	**100%**	**859.98**	**100%**

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligation (base)	1,509.20	1,248.95
Change in discount rate		
Increase by 1%	(89.79)	(77.70)
Decrease by 1%	102.29	88.82
Change in rate of salary increase		
Increase by 1%	95.27	83.92
Decrease by 1%	(87.40)	(76.15)
Change in rate of employee turnover		
Increase by 1%	(8.78)	(9.48)
Decrease by 1%	9.57	10.45

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average duration of the defined benefit plan obligation	11 years	11 years
Within next 12 months	263.78	201.64
Between 1 and 5 years	502.00	409.72
Between 5 and 10 years	622.85	512.49
More than 10 years	1,257.55	1,050.49

(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 membeINR 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.

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

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 stringent regulatory guidelines which mitigate risk.

21 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Finished goods	142,156.92	134,251.07
Traded goods	7,667.30	6,959.97
Total	**149,824.22**	**141,211.04**
Other operating revenue		
Revenue from Job Work	11.79	36.46
Sale of scrap & others	106.71	88.49
Government Grants *	453.08	686.59
Total revenue from operations	**150,395.80**	**142,022.58**

* Includes GST Refund under Budgetery Support Scheme. As per the Scheme eligible units (Samba and Udhampur in Jammu & Kashmir) are entitled to receive refund of the Goods and Services Tax paid by the unit.

a) Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Geography

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Within India	136,748.50	134,731.76
Outside India	13,075.72	6,479.28
Total	**149,824.22**	**141,211.04**

Timing of revenue recognition

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
At a point in time		
Sale of finished goods	142,156.92	134,251.07
Sale of traded goods	7,667.30	6,959.97
Total	**149,824.22**	**141,211.04**

b) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contract	164,538.76	157,844.00
Adjustments for variable consideration:		
Discounts and rebates	(14,714.54)	(16,632.96)
Revenue from contracts with customers	**149,824.22**	**141,211.04**

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

c) Aggregate amount of the Transaction Price allocated to Performance Obligations that are unsatisfied at end of the year:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advance from Customers* (refer note 47)	9,704.23	9,169.88
Revenue recognised from amounts included in advance from customers at beginning of the year	9,169.88	7,174.31

Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Group performs under the contract.

*For March 31, 2022, management expects that the entire transaction price allocated to the unsatisfied contracts at end of the year will be recognised as revenue during the next year.

22 Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
Fixed deposits with banks	46.53	246.18
Other assets	2.05	5.00
Dividend income from equity investments designated at fair value through other comprehensive income*	10.22	9.62
Other non-operating income		
Miscellaneous income	81.93	54.51
Exchange difference (net)	170.38	435.61
Net gain on fair value changes		
Derivatives at FVTPL	116.04	21.86
Total other income	**427.15**	**772.78**

* All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period.

23 Cost of raw material and components consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material		
Inventory at the beginning of the year	27,360.29	17,033.79
Add: Purchases	91,686.65	105,480.29
	119,046.94	122,514.08
Less: inventory at the end of the year	25,405.02	27,360.29
Cost of raw material consumed	**93,641.92**	**95,153.79**
Packing Material		
Inventory at the beginning of the year	1,845.54	1,521.91
Add: Purchases	9,880.26	9,687.66
	11,725.80	11,209.57
Less: inventory at the end of the year	1,713.55	1,845.54
Cost of Packing material consumed	**10,012.25**	**9,364.03**
Total Cost of raw material and components consumed	**103,654.17**	**104,517.82**

Notes to consolidated financial statements for the year ended March 31, 2022

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

24 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year		
Finished goods	27,955.12	27,809.01
Semi-finished goods	6,037.81	7,803.01
Traded goods	1,740.89	1,132.16
	35,733.82	**36,744.18**
Inventories at the beginning of the year		
Finished goods	27,809.01	25,216.93
Semi-finished goods	7,803.01	7,110.33
Traded goods	1,132.16	890.91
	36,744.18	**33,218.17**
Total (Increase)/Decrease in inventories	**1,010.36**	**(3,526.01)**

Details of inventory	Year ended March 31, 2022	Year ended March 31, 2021
Traded goods		
Powder	586.20	693.87
Liquid	799.10	215.09
Granules	355.59	223.20
Total	**1,740.89**	**1,132.16**
Finished goods		
Liquid	12,196.03	15,240.89
Powder	5,402.85	4,450.59
Granules	4,167.40	3,499.63
Technicals	6,188.84	4,617.90
Total	**27,955.12**	**27,809.01**

25 Employee benefit expenses

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus		7,651.92	6,792.39
Contribution to provident and other funds	20	441.32	388.03
Gratuity expense	20	136.32	104.83
Staff welfare expenses		435.42	365.41
Total employee benefit expenses		**8,664.98**	**7,650.66**

26 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on term loans and ECBs	33.00	30.65
Interest on CC Limits, buyer's credit and demand loans	366.48	286.58
Interest on Lease Liabilities	49.87	42.54
Interest (Others)	48.27	32.26
Other borrowing costs		
Bank charges	165.76	273.08
Total finance costs	**663.38**	**665.11**

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts in ₹ in 'Lacs', unless mentioned otherwise)

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets	3	2,334.85	2,153.72
Depreciation of right-of-use assets	4	216.79	211.33
Amortization of intangible assets	5	83.27	102.13
Total depreciation and amortization expense		**2,634.91**	**2,467.18**

28 Other expenses

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares		1,166.44	865.98
Power and fuel Expenses		2,963.03	2,175.65
Transport charges		3,046.92	3,290.50
Repairs and Maintenance			
Buildings		3.67	5.52
Plant & Machinery		236.18	160.58
Others		329.06	282.85
Pollution Control Expenses		195.12	145.57
Advertising and sales promotion		467.41	525.22
Royalty		-	68.09
Commission		614.24	652.77
Travelling and conveyance		1,424.10	1,093.79
Rent	42	31.01	34.22
Insurance		266.87	276.12
Communication expenses		31.71	31.70
Printing and Stationery		25.73	21.44
Legal and Professional Fees		545.60	429.58
Director Sitting Fees	39	8.80	12.50
Payment to Auditors	28(a)	47.06	39.44
Electricity & Water Charges		66.93	67.10
Rates and taxes		41.56	19.38
Security Charges		117.08	111.21
Research & Development Expenses	29	765.44	618.67
Loss on Sale of Fixed Assets (net)		129.20	37.94
Corporate Social Responsibility Expenses	28(b)	269.73	309.13
Provision for impairment of trade receivables	35	359.99	348.99
Bad debts written off		140.43	47.06
Export Sales Expenses		431.90	416.36
Miscellaneous Expenses		287.55	264.18
Total other expenses		**14,012.76**	**12,351.54**

28(a) Details of payment to auditors (excluding taxes)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Statutory Audit Fees	45.15	39.00
In other capacity *		
Reimbursement of expenses	1.91	0.44
Total	**47.06**	**39.44**

* Excluding amount of ₹ 8.00 paid for certification for buyback of shares which is charged to Securities premium account.

Notes to consolidated financial statements for the year ended March 31, 2022

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

28(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, 2022	Year ended March 31, 2021
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Group	269.06	262.47
Shortfall of Previous Year spent during the Year	-	45.28
Total amount spent for the financial year	(269.73)	(309.13)
Amount shortfall at end of the year	**-**	**-**
Amount spent during the year on:		
(i) Construction/acquisition of an asset		
- in cash	-	-
- yet to be paid in cash	-	-
(ii) On purpose other than (i) above		
- in cash	269.73	309.13
- yet to be paid in cash	-	-
Total	**269.73**	**309.13**

The entire amount is spent through the IIL foundation which is a related party (refer note 39).

29 Research & Development Expenditure

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Chopanki :		
(i) Revenue Expenditure :		
(a) Employee cost	169.95	134.70
(b) Cost of material & testing charges	11.62	22.86
(c) Other R&D expenditure	16.28	10.76
(d) Consultancy charges to OAT & IIL	293.88	335.21
(ii) Capital Expenditure	63.27	41.02
Chopanki Total	**555.00**	**544.55**
Shamli :		
(i) Revenue Expenditure :		
(a) Employee cost	110.74	95.22
(b) Cost of material & testing charges	1.96	1.50
(c) Other R&D expenditure	3.46	2.26
(ii) Capital Expenditure	32.52	10.49
Shamli Total	**148.68**	**109.47**
Dahej :		
(i) Revenue Expenditure :		
(a) Employee cost	86.82	-
(b) Cost of material & testing charges	26.62	-
(c) Other R&D expenditure	24.33	-
(ii) Capital Expenditure	99.38	-
Dahej Total	**237.15**	**-**
Total	**940.83**	**654.02**

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

30 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, 2022	Year ended March 31, 2021
Current tax		
Current tax on profits for the year	3,601.85	3,153.29
Adjustment of tax relating to earlier periods	(121.75)	(102.19)
Total current tax expense	**3,480.10**	**3,051.10**
Deferred tax		
(Decrease) increase in deferred tax liabilities	(57.47)	(565.07)
Decrease (increase) in deferred tax assets	(28.22)	74.10
Total deferred tax expense/(benefit)	**(85.69)**	**(490.97)**
Income tax expense	**3,394.41**	**2,560.13**

(b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income tax expense	**14,096.54**	**11,903.43**
Tax at the Indian statutory income tax rate of 25.168% (March 31, 2021: 25.168%)*	3,547.82	2,995.86
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	-
Deduction on account of tax holiday period	-	-
Other non-deductible / (taxable) items	(31.66)	25.50
Effect of difference in tax rates used to calculate deferred tax on temporary differences*	-	(359.04)
Adjustments for current tax of earlier periods	(121.75)	(102.19)
Income tax expense	**3,394.41**	**2,560.13**

* The Group has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the tax rate used for the current year reconciliation above are the corporate tax rates of 25.168% (March 31, 2021: 25.168%) payable by corporate entities in India on taxable profits under the Indian tax laws. The reconciliation also includes the impact of tax holidays availed by the Group under the old regime.

31 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2022

Particulars	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(22.75)	(22.75)
Gain/(loss) on FVTOCI financial assets	121.46	-	121.46
Share of other comprehensive income of joint venture	-	1.47	1.47
Total	**121.46**	**(21.28)**	**100.18**

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

During the year ended March 31, 2021

Particulars	FVTOCI -equity instruments	Retained earnings	Total
Re-measurement of net defined benefit plans	-	(203.33)	(203.33)
Gain/(loss) on FVTOCI financial assets	89.77	-	89.77
Share of other comprehensive income of joint venture	-	1.26	1.26
Total	**89.77**	**(202.07)**	**(112.30)**

32 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 20.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Group's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates, incentives and cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised depends on whether the Group act as an agent or as a principal in an arrangement with a customer. The Group act as a principal if the Group controls a promised goods or service before the Group transfers the goods or service to a customer and act as an agent if the Group's performance obligation is to arrange for the provision of goods or service by another party.

Notes to consolidated financial statements for the year ended March 31, 2022

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

Estimation uncertainty relating to COVID-19 outbreak

The Group has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of all the assets (refer note 52).

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.

33 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses full currency cum interest rate swap and foreign exchange forward contracts and option contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are measured at fair value through profit or loss. These contracts are entered into for period consistent with the foreign currency exposures of the underlying transactions and with the intention to reduce the foreign exchange risk of expected purchases and sales.

Nature of instrument	As at March 31, 2022		As at March 31, 2021	
	Amount outstanding FCY	Amount outstanding ₹	Amount outstanding FCY	Amount outstanding ₹
Hedged foreign currency exposures				
Forward contract - Buy				
In respect of foreign letters of credit (USD)	60.94	4,592.68	213.77	15,795.66
In respect of import bills accepted (USD)	2.24	168.23	6.95	509.99
	63.18	**4,760.91**	**220.72**	**16,305.65**
Forward contract - Sell				
In respect of trade receivables (USD)	46.55	3,617.19	18.76	1,400.20
	46.55	**3,617.19**	**18.76**	**1,400.20**
Unhedged foreign currency exposures				
a) Payables				
Letters of credit (USD)	434.28	32,914.17	114.27	8,354.16
Import bills accepted (Trade payables) (USD)	3.94	298.61	0.96	70.19
	438.22	**33,212.78**	**115.23**	**8,424.35**
b) Receivables				
Trade receivables (USD)	-	-	9.23	675.02
Trade receivables (AED)	-	-	2.80	55.72
	-	**-**	**12.03**	**730.74**

34 Fair value measurements

(i) Financial instruments by category

Particulars	Note	As at March 31, 2022			As at March 31, 2021		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Investments							

Notes to consolidated financial statements for the year ended March 31, 2022

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

Particulars	Note	As at March 31, 2022			As at March 31, 2021		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
- Equity instruments	7(a)	-	520.34	-	-	362.00	-
Security deposits	7(b)	-	-	124.78	-	-	246.68
Deposit accounts with banks having remaining maturity more than twelve months	7(b)	-	-	136.41	-	-	33.77
Interest accrued on fixed deposit with banks	7(b)	-	-	0.36	-	-	-
b) Financial assets - Current							
Trade receivables	11(a)	-	-	28,891.23	-	-	25,458.71
Cash and cash equivalents	11(b)	-	-	3,598.30	-	-	646.36
Other bank balances	11(c)	-	-	15.58	-	-	7,682.94
Loans	11(d)	-	-	12.87	-	-	5.08
Derivative assets	11(e)	84.08	-	-	9.42	-	-
Dividend receivable	11(e)	-	-	8.65	-	-	8.15
Insurance claim recoverable	11(e)	-	-	-	-	-	81.96
Litigation charges recoverable	11(e)	-	-	19.60	-	-	19.60
Export incentive recoverable	11(e)	-	-	35.01	-	-	114.55
Interest subsidy recoverable	11(e)	-	-	60.14	-	-	201.35
Total financial assets		**84.08**	**520.34**	**32,902.93**	**9.42**	**362.00**	**34,499.15**
c) Financial liabilities - Non-current							
Borrowings	15(a)	-	-	185.03	-	-	239.63
d) Financial liabilities - Current							
Borrowings	18(a)	-	-	4,564.00	-	-	9,160.85
Trade payables	18(b)	-	-	32,378.87	-	-	36,203.49
Current maturities of long-term borrowings	18(a)	-	-	190.26	-	-	226.90
Security deposits received from customers	18(c)	-	-	719.67	-	-	714.67
Creditors for capital expenditure	18(c)	-	-	793.35	-	-	370.36
Interest accrued on borrowings	18(c)	-	-	0.23	-	-	9.25
Employee payables	18(c)	-	-	1,376.47	-	-	1,259.77
Unpaid dividend account	18(c)	-	-	4.29	-	-	5.25
Derivative liabilities	18(c)	-	-	-	41.38	-	-
Total financial liabilities		**-**	**-**	**40,212.17**	**41.38**	**-**	**48,190.17**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at March 31, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTOCI						
-Quoted equity investments*	520.34	-	-	362.00	-	-
Financial assets at FVTPL						
-Derivative assets	-	84.08	-	-	9.42	-
Financial liabilities						
Financial liabilities at FVTPL						
-Derivative liabilities	-	-	-	-	41.38	-

*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

Particulars	As at March 31, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	124.78	-	-	246.68
Deposit accounts with banks having remaining maturity more than twelve months	-	136.41	-	-	33.77	-
Interest accrued on fixed deposit with banks	-	0.36	-	-	-	-
Financial liabilities						
Long term borrowings (including current maturities)	-	375.29	-	-	466.53	-

There have been no transfers between Level 1 and Level 2 during the period.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

d) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

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

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
-Security deposits*	7(b)	124.78	124.78	246.68	246.68
-Deposit accounts with banks having remaining maturity more than twelve months*	7(b)	136.41	136.41	33.77	33.77
-Interest accrued on fixed deposit with banks*	7(b)	0.36	0.36	-	-
Financial liabilities					
- Long term borrowings (including current maturities)	15(a)	375.29	375.29	466.53	466.53

*The management assessed that fair values of above financial instruments is substantially equal to their carrying value due to amortised cost being calculated based on the effective interest rates, which approximates the market rates.

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

35 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 11(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, 2022 and March 31, 2021 is the carrying amounts as illustrated in Note 7 and 11 except for derivative financial instruments.

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees and inter-corporate loans	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

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

Year ended March 31, 2022

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees and inter-corporate loans	12.87	0%	-	12.87
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	124.78	0%	-	124.78

(b) 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	17,988.29	8,650.81	1,570.35	645.47	223.34	1,274.33	**30,352.59**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	17.94	17.30	7.85	32.27	111.67	1,274.33	**1,461.36**
Carrying amount of trade receivables (net of impairment)	**17,970.35**	**8,633.51**	**1,562.50**	**613.20**	**111.67**	**-**	**28,891.23**

Year ended March 31, 2021

(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 loans	5.08	0%	-	5.08
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	246.68	0%	-	246.68

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

(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	16,706.88	7,029.81	875.78	408.42	987.27	551.92	**26,560.08**
Expected loss rate	0.10%	0.20%	0.50%	5.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	16.95	14.06	4.38	20.42	493.64	551.92	**1,101.37**
Carrying amount of trade receivables (net of impairment)	**16,689.93**	**7,015.75**	**871.40**	**388.00**	**493.63**	**-**	**25,458.71**

Reconciliation of loss allowance provision - trade receivables

Particulars	Amount
Loss allowance on March 31, 2020	**752.38**
Changes in loss allowance	348.99
Loss allowance on March 31, 2021	**1,101.37**
Changes in loss allowance	359.99
Loss allowance on March 31, 2022	**1,461.36**

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, 2022	As at March 31, 2021
Floating rate		
Short term borrowings	13,704.86	29,385.43

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

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

Contractual maturities of financial liabilities:-

As at March 31, 2022	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	190.26	185.03	-	**375.29**
Lease liabilities	15(b)	237.56	271.17	13.31	**522.04**
Short term borrowings	18(a)	4,564.00	-	-	**4,564.00**
Trade payables	18(b)	32,378.87	-	-	**32,378.87**
Security deposits received from customers	18(c)	719.67	-	-	**719.67**
Creditors for capital expenditure	18(c)	793.35	-	-	**793.35**
Interest accrued on borrowings	18(c)	0.23	-	-	**0.23**
Employee payables	18(c)	1,376.47	-	-	**1,376.47**
Unpaid dividend account	18(c)	4.29	-	-	**4.29**
Derivative liabilities	18(c)	-	-	-	**-**
Total		**40,264.70**	**456.20**	**13.31**	**40,734.21**

As at March 31, 2021	Note	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Long term borrowings (including current maturities)	15(a)	226.90	239.63	-	**466.53**
Lease liabilities	15(b)	196.88	284.32	-	**481.20**
Short term borrowings	18(a)	9,160.85	-	-	**9,160.85**
Trade payables	18(b)	36,203.49	-	-	**36,203.49**
Security deposits received from customers	18(c)	714.67	-	-	**714.67**
Creditors for capital expenditure	18(c)	370.36	-	-	**370.36**
Interest accrued on borrowings	18(c)	9.25	-	-	**9.25**
Employee payables	18(c)	1,259.77	-	-	**1,259.77**
Unpaid dividend account	18(c)	5.25	-	-	**5.25**
Derivative liabilities	18(c)	41.38	-	-	**41.38**
Total		**48,188.80**	**523.95**	**-**	**48,712.75**

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, 2022 and March 31, 2021 the Group's hedge position is stated in Note 33. This foreign currency risk is hedged by using foreign currency forward contracts and full currency interest rate swaps.

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

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, 2022	Year ended March 31, 2021
USD sensitivity		
INR/USD - increase by 1% (March 31, 2021: 1%)	(332.13)	(77.49)
INR/USD - decrease by 1% (March 31, 2021: 1%)	332.13	77.49
AED sensitivity		
INR/AED - increase by 1% (March 31, 2021: 1%)	-	0.56
INR/AED - decrease by 1% (March 31, 2021: 1%)	-	(0.56)

JPY sensitivity [with respect to investment in equity shares of OAT Agrio Co. Ltd. (company listed on Tokyo Stock exchange)]

Particulars	Impact on other comprehensive income	
	Year ended March 31, 2022	Year ended March 31, 2021
INR/JPY - increase by 5% (March 31, 2021: 5%)	26.02	18.10
INR/JPY - decrease by 5% (March 31, 2021: 5%)	(26.02)	(18.10)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. At March 31, 2022, 100% (March 31, 2021, 100%) of the Group's total borrowings are at a fixed rate of interest. As on March 31, 2022, the Group's borrowings were mainly denominated in INR. If borrowings carry floating rate of interest, the Group swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Group's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings		
Long term borrowings (including current maturities)	375.29	466.53
Short term borrowings	4,564.00	9,160.85
Variable rate borrowings		
Long term borrowings (including current maturities)	-	-
Total borrowings	**4,939.29**	**9,627.38**

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

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, 2022			As at March 31, 2021		
	Interest rates	Balance	% of total loans	Interest rates	Balance	% of total loans
Bank borrowings	-	-	0.00%	-	-	0.00%
Net exposure to cash flow interest rate risk		**-**	**-**		**-**	**0.00%**

(b) Sensitivity

The Group's exposure to long-term floating rate borrowings (mainly on account of vehicle loans) is 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 31).

(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 ₹ 52.03 (March 31, 2021: ₹ 36.20).

36 Capital management

(a) Risk management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The 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	As at March 31, 2022	As at March 31, 2021
Total debt	15(a),18(a)	4,939.29	9,627.38
(Less): Cash and cash equivalents	11(b)	(3,598.30)	(646.36)
Net debt		**1,340.99**	**8,981.02**
Total capital	13,14	86,961.12	82,037.51
Capital and net debt		**88,302.11**	**91,018.53**
Gearing ratio		**2%**	**10%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 & March 31, 2021

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.

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

(b) Dividends

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Dividends paid on equity shares		
Final dividend for the year ended March 31, 2021 : Nil (March 31, 2020 : Nil) per fully paid share	-	-
Dividend distrubution tax (DDT) on final dividend	-	-
Interim dividend for the year ended March 31, 2022 : Nil (March 31, 2021: ₹ 2) per fully paid share	-	413.36
Dividend distrubution tax (DDT) on interim dividend	-	-
(ii) Dividends on equity shares not recognised at the end of the reporting period		
In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (March 31, 2021: Nil). This proposed dividend is subject to the approval of shareholders in the annual general meeting and is not recognized as a liability.	591.96	-

37 Interests in other entities

a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2022. 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, 2022	As at March 31, 2021
OAT & IIL India Laboratories Private Limited	India	20%	Joint venture	Audited	Equity method	1,034.91	992.75

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, 2022	As at March 31, 2021
Share of commitments in respect of:		
Capital commitments in respect of Property, plant and equipment	0.00	0.00
Unpaid preference dividend	0.00	0.00

c) Summarised financial information for joint venture

The tables below provide summarised financial information for the Group's joint venture. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Group's share in those amounts.

Notes to consolidated financial statements for the year ended March 31, 2022

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

Summarised balance sheet

Particulars	OAT & IIL India Laboratories Private Limited	
	As at March 31, 2022	As at March 31, 2021
Current assets		
Cash and cash equivalents	2,312.49	612.52
Other assets	1,457.12	2,424.44
Total current assets	**3,769.61**	**3,036.96**
Total non-current assets	2,397.22	2,538.82
Total assets	**6,166.83**	**5,575.78**
Current liabilities		
Financial liabilities (excluding trade payables)	16.59	5.02
Other liabilities	753.77	409.19
Total current liabilities	**770.36**	**414.21**
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	221.90	197.81
Total non-current liabilities	**221.90**	**197.81**
Net assets	**5,174.57**	**4,963.76**

Reconciliation to carrying amounts

Particulars	As at March 31, 2022	As at March 31, 2021
Opening net assets	4,963.76	4,722.41
Profit for the year	203.45	235.02
Other comprehensive income	7.36	6.33
Closing net assets	**5,174.57**	**4,963.76**
Group's share in %	20%	20%
Carrying amount	**1,034.91**	**992.75**

Summarised Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from operations	3,457.90	2,178.88
Interest income	50.20	92.99
Other income	11.92	0.88
Total revenue	**3,520.02**	**2,272.75**
Expenses		
Cost of materials consumed	1,462.89	614.06
Changes in inventories of finished goods	121.90	(70.56)
Employee benefit expenses	707.28	616.31
Finance costs	2.58	1.22
Depreciation & amortisation expenses	165.18	189.46
Other expenses	786.27	590.00
Total expenses	**3,246.10**	**1,940.49**
Profit before tax	**273.92**	**332.26**
Tax expense	70.47	97.24
Profit after tax	**203.45**	**235.02**
Other comprehensive income	7.36	6.33
Total comprehensive income	**210.81**	**241.35**

38 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.

Notes to consolidated financial statements for the year ended March 31, 2022

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

Entity wide disclosures as applicable to the Group are mentioned below:-

a) **Information about geographical areas:**

Revenue from external customers	Year ended March 31, 2022	Year ended March 31, 2021
Within India	136,748.50	134,731.76
Outside India	13,075.72	6,479.28
Total revenue	**149,824.22**	**141,211.04**

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.

39 Related party transactions

(i) **Names of related parties and related party relationship:-**

a) **Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)**

1. Sh. Hari Chand Aggarwal - Chairman
2. Sh. Rajesh Kumar Aggarwal - Managing Director
3. Smt. Nikunj Aggarwal - Whole-time Director

b) **Key Management Personnel (KMP)**

1. Sh. Sandeep Aggarwal - Chief Financial Officer
2. Sh. Sandeep Kumar Aggarwal - Company Secretary & CCO

c) **Independent directors**

1. Sh. Vrijesh Kumar Gupta
2. Sh. Navin Shah
3. Sh. Jayaraman Swaminathan
4. Smt. Praveen Gupta

d) **Relatives of KMPs**

1. Sh. Sanjeev Aggarwal
2. Smt. Sonia Aggarwal
3. Smt. Anju Aggarwal
4. Smt. Pushpa Aggarwal
5. Smt. Kritika Aggarwal
6. Sh. Sanskar Aggarwal

e) **Enterprises over which the Group exercises joint control**

1. OAT & IIL India Laboratories Private Limited

f) **Enterprises over which key management personnel and their relatives have control / significant influence:**

1. ISEC Organics Ltd.
2. Vinod Metals Industries
3. Crystal Crop Protection Pvt. Ltd.
4. Crop Care Federation of India
5. IIL foundation
6. Indogulf Cropsciences Limited

Notes to consolidated financial statements for the year ended March 31, 2022

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

(ii) Transactions during the year with related parties:-

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Group exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Advertisement expense	**0.18**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	0.18	-										
Consultancy expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10.96**	**10.88**	**-**	**-**
Smt. Sonia Aggarwal									10.96	10.88		
Deputation fee income	**-**	**-**	**33.98**	**30.23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			33.98	30.23								
Membership & Subscription expense	**17.70**	**11.80**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	17.70	11.80										
Purchase of Capital & Consumabable Goods	**339.91**	**194.51**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Vinod Metal Industries	339.91	194.51										
Sales of Finished Goods	**570.16**	**364.05**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	85.67	2.86										
Indogulf Cropsciences Limited	484.49	361.19										
Purchases of Raw Material	**3,565.16**	**4,732.37**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Pvt Ltd	3,340.25	4,732.37										
Indogulf Cropsciences Limited	224.91	-										

Notes to consolidated financial statements for the year ended March 31, 2022

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

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Group exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Other Expenses	**2.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crop Care Federation of India	2.60	-										
R & D Expenses	**-**	**-**	**346.78**	**395.54**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			346.78	395.54								
Rent paid	**33.42**	**33.42**	**-**	**-**	**-**	**-**	**-**	**-**	**2.64**	**2.64**	**-**	**-**
ISEC Organics Ltd	33.42	33.42							-	-		
Smt. Pushpa Aggarwal		-							2.64	2.64		
Purchase of Property, Plant & Equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ISEC Organics Ltd												
Revenue from Job Work	**-**	**-**	**54.55**	**23.72**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OAT & IIL India Laboratories Private Limited			54.55	23.72								

Notes to consolidated financial statements for the year ended March 31, 2022

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

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Group exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Remuneration paid *	**-**	**-**	**-**	**-**	**876.73**	**828.76**	**52.74**	**42.45**	**45.50**	**49.85**	**-**	**-**
Sh. Hari Chand Aggarwal					422.53	395.58						
Sh. Rajesh Kumar Aggarwal					410.65	389.99						
Smt. Nikunj Aggarwal					43.55	43.19						
Sh. Sandeep Aggarwal							36.45	32.39				
Sh. Sandeep Kumar Aggarwal							16.29	10.06				
Sh. Sanjeev Aggarwal									23.04	20.78		
Smt. Anju Aggarwal									12.79	12.68		
Smt. Kritika Aggarwal									3.37	12.71		
Sh. Sanskar Aggarwal									6.30	3.68		
Contribution to CSR	**269.73**	**307.13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IIL foundation	269.73	307.13										
Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8.80**	**12.50**
Sh. Vinod Kumar Mittal											-	1.50
Sh. Jayaraman Swaminathan											2.80	3.50
Smt. Praveen Gupta											2.00	2.50
Sh. Navin Shah											2.00	2.50
Sh. Vrijesh Kumar Gupta											2.00	2.50

Notes to consolidated financial statements for the year ended March 31, 2022

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

Balance outstanding with related parties

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Group exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Remuneration payable	**-**	**-**	**-**	**-**	**9.76**	**11.44**	**3.17**	**2.86**	**2.68**	**3.45**	**-**	**-**
Sh. Hari Chand Aggarwal					4.59	4.74	-	-	-	-		
Sh. Rajesh Kumar Aggarwal					3.04	4.51	-	-	-	-		
Smt. Nikunj Aggarwal					2.13	2.19	-	-	-	-		
Sh. Sandeep Aggarwal					-	-	1.92	1.76	-	-		
Sh. Sandeep Kumar Aggarwal					-	-	1.25	1.10	-	-		
Sh. Sanjeev Aggarwal					-	-	-	-	1.24	1.30		
Smt. Anju Aggarwal					-	-	-	-	0.97	0.89		
Smt. Kritika Aggarwal					-	-	-	-	-	0.79		
Sh. Sanskar Aggarwal					-	-	-	-	0.47	0.47		
Trade Payables	**195.45**	**357.21**	**-**	**-**	**-**	**-**	**-**	**-**	**0.84**	**0.86**	**-**	**2.03**
Vinod Metal Industries	178.92	105.76							-	-	-	-
Indogulf Cropsciences Limited	0.06	-							-	-	-	-
Crystal Crop Protection Ltd	16.29	251.45							-	-	-	-
Isec Organics Ltd.	-	-							-	-	-	-
Crop Care Federation of India	0.18	-							-	-	-	-
Smt. Sonia Aggarwal	-	-							0.84	0.86	-	-
Smt. Pushpa Aggarwal	-	-							-	-	-	-
Smt. Praveen Gupta	-	-							-	-	-	0.46
Sh. Jayaraman Swaminathan	-	-							-	-	-	0.65
Sh. Navin Shah	-	-							-	-	-	0.46

Notes to consolidated financial statements for the year ended March 31, 2022

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

Particulars	Enterprises over which key management personnel and their relatives have control / significant influence		Enterprises over which the Group exercises joint control		Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and Key Management Personnel (KMP)		Key Management Personnel		Relatives of Key Management Personnel		Independent Directors	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sh. Vrijesh Kumar Gupta	-	-							-	-	-	0.46
Trade Receivables	**138.62**	**200.49**	**-**	**6.92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Ltd	-	2.86	-	-								
Indogulf Cropsciences Ltd	138.62	197.63	-	-								
OAT & IIL India Laboratories Private Limited	-	-	-	6.92								
Advances given	**201.25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Crystal Crop Protection Ltd	-	-									-	-
Isec Organics Ltd.	201.25	-									-	-
OAT & IIL India Laboratories Private Limited	-	-									-	-
Sh. Vinod Kumar Mittal	-	-									-	-
Sh. Jayaraman Swaminathan	-	-									-	-
Sh. Navin Shah	-	-									-	-
Sh. Vrijesh Kumar Gupta	-	-									-	-
Smt. Praveen Gupta	-	-									-	-

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

iv) Key management personnel compensation

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	929.47	871.21
Post-employment benefits	22.55	26.41
Long-term employee benefits	-	-
Total	**952.02**	**897.62**

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.

40 Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the company not acknowledged as debt		
a) Bank Guarantee	420.63	265.68
b) Excise Matter with Appellate Authority	429.51	429.51
c) Sales Tax / GST Matters	524.15	501.03
d) Revenue Department	89.60	89.60
Total	**1,463.89**	**1,285.82**

With respect to contingent liabilities reported at (b), (c) & (d) above, the management has taken an opinion from the legal advisors / professionals engaged by them and expects that the appeals will be decided in the favor of the Group. Therefore, the probability of outflow of resources is remote.

41 Commitments

Commitments with respect to:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	530.57	994.88
Other commitments		
Letter of Credits (FLC & ILC)	20,517.04	7,509.64
	21,047.61	**8,504.52**

42 Leases

The Group has lease contracts for land, office premises, warehouses and vehicles. The land leases have term ranging from 60 to 198 years, office premises and warehouses have lease terms between 1 to 5 years.

Further, the Group has leases of warehouses and vehicles which have lease term less than 12 months. The Group applies the "Short term leases" recognition exemption for such leases.

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

a) Amounts recognized in profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use assets (Refer Note 27)	216.79	211.33
Interest expense on lease liabilities (Refer Note 26)	49.87	42.54
Expense relating to short-term leases (included in rent) (Refer Note 28)	31.01	34.22
(Gain)/loss on termination of leases (included in miscellaneous income) (Refer Note 22)	(5.19)	(0.81)
Total	**292.48**	**287.28**

b) Extension and termination options

The Group has lease contracts that include extension and termination options. These options are negotiated by management and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Group has considered all the lease payments relating to periods following the exercise date of extension options, where such option is available with the Group in the calculation of lease liabilities. The Group has determined that it is not reasonably certain that termination options attached to lease contracts will be exercised. Therefore, such disclosures are not applicable.

43 Earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year	10,742.82	9,390.30
Weighted average number of shares (Face value ₹ 10/- each)	19,831,370	20,667,796
(a) Basic earnings per share (INR)	54.17	45.43
(b) Diluted earnings per share (INR)*	54.17	45.43

*There are no dilutive potential equity shares.

44 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Current			
Financial assets			
First charge			
Trade receivables	11(a)	28,891.23	25,458.71
Loans	11(d)	12.87	5.08
Other financial assets	11(e)	207.48	435.03
		29,111.58	**25,898.82**
Non-financial assets			
Inventories	10	63,022.42	66,087.25
Other current assets	12	1,894.00	1,313.44
Total current assets pledged as security		**94,028.00**	**93,299.51**
Non-Current			
Financial assets			
First charge			
Security deposits	7(b)	124.78	246.68

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Non-financial assets			
Property, plant and equipment	3	22,085.76	20,853.52
Capital work-in-progress	3	8,576.95	5,187.22
Other non-current assets	9	1,078.70	1,151.69
Total non-currents assets pledged as security		**31,866.19**	**27,439.11**
Total assets pledged as security		**125,894.19**	**120,738.62**

45 The Board of Directors of the Company at its meeting held on March 30, 2021, approved Buyback of fully paid-up equity shares of face value of ₹ 10/- each of the Company at a price not exceeding ₹ 575/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding ₹ 6,000 lacs ("Maximum Buyback Size") from the open market through Stock Exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

During the year ended March 31, 2022, 9,35,905 equity shares amounting to ₹ 4,916.74 lacs were purchased from the Stock Exchanges. The Company created Capital Redemption Reserve amounting to ₹ 93.59 lacs, equivalent to the nominal value of the shares brought back as an appropriation of General Reserve. Further, the Board of Directors in their meeting held on August 10, 2021 decided to close the Buyback w.e.f closing of trading hours of August 10, 2021.

46 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, 2022 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, 2022	As at March 31, 2021
i	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	2.72	-
	Interest	0.10	-
ii	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payments made to the supplier beyond the appointed day during each accounting Year.		
	Principal Paid during FY	69.40	276.43
	Interest Paid during FY*	0.69	-
iii	The amount of interest due and payables for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv	The amount of Interest accured and remaining unpaid at the end of each accounting year.		
	Accounting year ended 31st March 2022	0.10	-
	Accounting year ended 31st March 2021	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible enterprise under section 23 of the MSMED Act,2006.	0.10	-

*The interest has been reversed since the same was not required to be paid as per the agreement/PO

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

47 Contract assets and contract liabilities

The following table provides information about trade receivables and contract liabilities from contracts with the customers :

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (refer note 11(a))	28,891.23	25,458.71
Total trade receivables	**28,891.23**	**25,458.71**
Advance from customers (contract liabilities) (refer note 19(a) & 21)	9,704.23	9,169.88
Total advance from customers (contract liabilities)	**9,704.23**	**9,169.88**

48 The Group has received Refund of Terminal Excise Duty during the financial years 2014-15, 2015-16 & 2016-17 from the Director of Foreign Trade (DGFT), Ahmedabad on the basis of issuance of an Advance Release Order **(ARO)** by DGFT, Mumbai. On 28th November,2019, the Additional Director of Foreign Trade, Ahmedabad has issued show cause notice (which is primary stage of adjudication) stating that the refunds were erroneously paid by this office and directed to pay back the amount of ₹ 7828.87 along with interest @ 15%. The Additional Director of Foreign Trade, Ahmedabad has also provided an opportunity to the Group to appear before the Authority which is mandatory requirement before adjudicating. In terms of the provisions of the Act, the Group filed the writ petition before Hon'ble Gujarat High Court against the Show Cause Notice challenging the legality of the notice and the Hon'ble court has granted interim relief and also stayed the show cause notice proceedings.

49 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 March 31, 2022	Maximum Amount Outstanding during the year ended March 31, 2022	Outstanding as at March 31, 2021	Maximum Amount Outstanding during the year ended March 31, 2021
Inter Corporate Loans				
- New Age Knowledge Solutions Ltd (for Business purpose)	-	-	-	320.84
- Mentor Financial Services Pvt. Ltd (for Business purpose)	-	-	-	9.21

Note: Advances to employee as per Group's policy are not considered.

50 Exceptional item for the previous year ended March 31, 2021 represented a one-time expense on account of fraud committed by two employees of the Group in collusion with 16 dealers and distributors of the Group. The said dealers and distributors had sold the goods in cash at reduced price to different customers. However, the invoices were raised in the name of Group's authorised debtors. The Group had filed FIR on July 04, 2020 in P.S. Janjgir District, Janjgir-Champa, Chhattisgarh. After internal investigation in the matter, the Group had recognized bad debts amounting to ₹ 970.15. The Group is of the view that there is no significant impact of aforesaid fraud on the general business conditions, financial position, profit & loss and liquidity position, except for the amounts already recognized.

51 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations

(i) Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116: Interest Rate Benchmark Reform – Phase 2

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the

hedging relationship being discontinued

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setteINR While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc. The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Group.

(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28: Definition of "Recoverable amount"

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

(b) Standards issued but not yet effective

There are no such standards or amendment issued which are not effective as on date.

52 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, has used internal and external sources of information. Based on the Group assessment, no material impact has been noted. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have bearing on the Group's operations.

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

53 Ratios

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change
Current Ratio	Current assets	Current liability	1.97	1.86	6.28%
Debt-Equity Ratio *	Total debt	Total Shareholders' Equity	0.06	0.12	-51.58%
Debt Service Coverage Ratio **	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (Depreciation & amortisation) + Finance costs	Debt service = Interest & Lease Payments + Principal Repayments	2.79	1.35	106.42%
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	12.70%	12.07%	5.24%
Inventory turnover Ratio	Cost of goods sold	Average Inventory	1.72	1.81	-5.20%
Trade Receivables turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.53	4.95	11.91%
Trade payables turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.14	3.98	-21.03%
Net capital turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.04	2.83	7.31%
Net profit Ratio	Net Profit	Net sales = Total sales - sales return	7.12%	6.58%	8.17%
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	15.80%	14.52%	8.82%
Return on investment	OCI Income	Investment	43.74%	47.77%	-8.44%

Reasons for variance:

* Buy back of share capital along with reduction in borrowings has lead to decline in the ratio.

** Revenue and profit growth along with reduction in borrowings has resulted in an improvement in the ratio.

54 Other Amendments as per Sch III of the Companies Act, 2013

(i) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes to consolidated financial statements for the year ended March 31, 2022

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

55. Statutory Group Information

As at March 31, 2022

Name of the entity in the Group	Consolidated Net Assets, i.e. Total Assets minus Total Liabilities		Share in Consolidated Profit and Loss		Share in Consolidated Other Comprehensive Income		Share in Consolidated Total Comprehensive income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income
Parent								
Insecticides (India) Limited	86,721.21	99.72%	10,702.13	99.62%	98.71	98.53%	10,800.84	99.61%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	239.91	0.28%	40.69	0.38%	1.47	1.47%	42.16	0.39%
Total equity	**86,961.12**		**10,742.82**		**100.18**		**10,843.00**	

As at March 31, 2021

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	81,839.76	99.76%	9,343.30	99.50%	(113.56)	101.12%	9,229.74	99.48%
Joint venture (Investment as per equity method)								
OAT & IIL India Laboratories Private Limited	197.75	0.24%	47.00	0.50%	1.26	-1.12%	48.26	0.52%
Total equity	**82,037.51**		**9,390.30**		**(112.30)**		**9,278.00**	

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

For DEVESH PAREKH & CO.
Chartered Accountants

HARI CHAND AGGARWAL
Chairman
DIN: 00577015

RAJESH KUMAR AGGARWAL
Managing Director
DIN: 00576872

HARISH GUPTA
Partner
Membership No.- 098336
Firm Registration No. - 000756N

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N

NIKUNJ AGGARWAL
Whole Time Director
DIN 06569091

Place : Delhi
Date : May 26, 2022

SANDEEP KUMAR AGGARWAL
Chief Financial Officer

SANDEEP KUMAR
Company Secretary

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

NOTICE

Notice is hereby given that the 25th Annual General Meeting ("AGM") of the members of **INSECTICIDES (INDIA) LIMITED** will be held on Friday, September 23, 2022 at 03.00 p.m. through Video Conferencing ("VC") to transact the following businesses:

Ordinary Business:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the Audited standalone and consolidated Financial Statements for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.

Item No. 2 – Declaration of Dividend for the Financial Year ended March 31, 2022

To declare Dividend of ₹ 3/- per equity share of ₹ 10/- each as recommended by board of director for the financial year ended March 31, 2022

Item no. 3 – Re-appointment of Shri Hari Chand Aggarwal as a director liable to retire by rotation

To appoint a Director in place of Shri Hari Chand Aggarwal (DIN: 00577015) who retires by rotation and, being eligible, seeks re-appointment.

Explanation: Based on the terms of appointment, Shri Hari Chand Aggarwal is subject to retirement by rotation. Shri Hari Chand Aggarwal, who was appointed for the current term on October 01, 2017 for the period of five years and whose office is liable to retire at the ensuing AGM, being eligible, seeks re-appointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his reappointment.

Item no. 4 - Re-appointment of Joint Statutory Auditors of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, S S Kothari Mehta & Co., Chartered Accountants (ICAI Regd. No.: 000756N) and Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No. 013338N), be and are hereby re-appointed as Joint Statutory Auditors of the Company, to hold office for the second term of five years from the conclusion of this Annual General Meeting till the conclusion of Thirtieth Annual General Meeting of the Company to be held in the year 2027, at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company (or any committee thereof) and the Statutory Auditors from time to time"

Special Business:

Item no. 5 – Ratification of remuneration of Cost Auditors for the financial year 2022-23

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this Meeting, to be paid to M/s Aggarwal Ashwani K & Associates, Cost Accountant, Firm Registration No. 100191 the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2023, be and is hereby ratified.

RESOLVED FURTHER that the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

Item no. 6- Re-appointment of Shri Hari Chand Aggarwal (DIN: 00577015) as Chairman & Whole-time Director

To re-appoint Shri Hari Chand Aggarwal (DIN: 00577015) as Chairman & Whole-time Director and in this regard, to pass, the following resolution as a **Special Resolution**:

"RESOLVED that in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 any other rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, the company hereby approves the re-appointment and terms of remuneration of Shri Hari Chand Aggarwal (DIN: 00577015) as Chairman & Whole-time Director of the Company for a period of 5 (five) years, w.e.f. October 01, 2022, whose office shall be liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Shri Hari Chand Aggarwal.

RESOLVED FURTHER that pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Act and the Listing Regulations, approval of the Members of the Company be and is hereby granted to Shri Hari Chand Aggarwal (DIN: 00577015), who has attained the age of seventy-four years and ratified by the members in this regard, to continue to be the Chairman & Whole-time Director of the Company to hold office for a term of 5 (five) years w.e.f. October 01, 2022.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Item no. 7 – Re-appointment of Smt. Nikunj Aggarwal (DIN: 06569091) as Whole-time Director

To re-appoint Smt. Nikunj Aggarwal (DIN: 06569091) as Whole-time Director and in this regard, to pass, the following resolution as a **Special Resolution:**

"RESOLVED that in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, the company be and is hereby approves the re-appointment and terms of remuneration of Smt. Nikunj Aggarwal (DIN: 06569091) as Whole-time Director of the Company, for a period of 5 (five) years, w.e.f. May 02, 2023 whose office shall be liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Smt. Nikunj Aggarwal."

"RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Item no. 8 – Appointment of Shri Anil Kumar Goyal (DIN: 09707818) as a Whole-time Director

To appoint Shri Anil Kumar Goyal (DIN: 09707818) as a Whole-time Director and in this regard, to pass, the following resolution as **Special Resolution:**

"RESOLVED that in accordance with the provisions of Sections 152, 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other laws, rules and regulations as may be applicable in this regard, Shri Anil Kumar Goyal (DIN: 09707818), who was appointed by the Board of Directors (the "Board") on August 20, 2022, based on the recommendation of the Nomination and Remuneration Committee, as an Whole-time (Additional) Director of the Company pursuant to Section 161of the Act and Articles of Association of the Company and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of the Director of the Company, being so eligible, be and is hereby appointed as an Whole-time Director of the Company, liable to retire by rotation, for a term of 5 (five) years with effect from August 20, 2022 to August 19, 2027 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Shri Anil Kumar Goyal."

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

Item no. 9 – Appointment of Shri Anil Kumar Bhatia (DIN: 09707921) as an Independent Director

To appoint Shri Anil Kumar Bhatia (DIN: 09707921) as an Independent Director and in this regard, to pass, the following resolution as **Special Resolution:**

"RESOLVED that in accordance with the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other laws, rules and regulations as may be applicable in this regard, Shri Anil Kumar Bhatia (DIN: 09707921) who was appointed by the Board of Directors (the "Board") on August 20, 2022, based on the recommendation of the Nomination and Remuneration Committee, as an Independent (additional) director of the company pursuant to Section 161 of the Act and Articles of Association of the Company and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a director and who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from August 20, 2022, to hold office for a first term of 5 (five) consecutive years i.e. from August 20, 2022 till August 19, 2027."

"RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Item no.10 – Increase in Authorized Share Capital and consequent alteration to Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and in accordance with the provisions of the Memorandum and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from ₹25,00,00,000/- (Rupees Twenty Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of ₹10/- each (Rupees Ten Only) to ₹35,00,00,000/- (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of ₹10/- each (Rupees Ten Only) by creation of additional 1,00,00,000 (One Crore) Equity Shares of ₹10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

RESOLVED FURTHER that the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows:

V. The Authorised Share Capital of the Company is ₹35,00,00,000/- (Rupees Thirty Five Crore only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of face value of ₹10/- each (Rupees Ten Only).

RESOLVED FURTHER that the Board of Directors of the Company ("Board") and / or the Company Secretary and / or any other person authorised by the Board be and is hereby authorized to do all such acts, deeds, matters and things, including but not limited to filing of necessary forms / documents with appropriate authorities and to execute all such documents, instruments in writing as may be deemed necessary and/or expedient to give effect to this resolution and in connection with any matter incidental thereto."

Item no. 11 – Issue of Bonus Shares

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], the provisions of the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, including any other applicable regulations and guidelines issued by SEBI and Reserve Bank of India ("RBI") in this regard and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) and pursuant to the recommendation of the Board, consent of the Members of the Company be and is hereby accorded to the Board for capitalization of such sums standing to the credit of the securities premium account of the Company for the purpose of issuance of Bonus Equity Shares of ₹10/- each (Rupees Ten only), credited as fully paid-up Equity Shares to the holders of the existing fully paid-up Equity Shares of the Company in consideration of their said holding and whose names appear in the Register of Members maintained by the Company's Registrar and Share Transfer Agent / List of Beneficial Owners received

from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board ("Record date"), in the proportion of 1 (One) Equity Share of ₹10/- each for every 2 (Two) existing fully paid-up Equity Shares of ₹10/- each held by the Members of the Company.

RESOLVED FURTHER that the Bonus Equity Shares so issued shall be treated for all purposes as an increase in the nominal amount in the share capital of the Company held by each such Member and not as an income or distribution in lieu of Dividend and all such Bonus Equity Shares so issued shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the Equity Shares of the Company existing on the Record Date.

RESOLVED FURTHER that no letter of allotment shall be issued to the allottees of the Bonus Equity Shares and Share certificate(s) in respect of the Bonus Equity Shares shall be issued and dispatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf, from time to time, or for members who hold shares in dematerialized form, the Bonus Equity Shares shall be credited to the respective beneficiary

accounts of the members with their respective Depository Participant(s), as the case may be.

RESOLVED FURTHER that the allotment of Bonus Equity Shares to the extent that they relate to Non-Resident Members, Foreign Institutional Investors (FIIs) and other Foreign Investors of the Company, shall be subject to the approval, if any, of the RBI or such other authority, as may be necessary or applicable.

RESOLVED FURTHER that in case of fractional shares, if any, arising out of the issue and allotment of Bonus Equity Shares, the Board be and is hereby authorised to make suitable arrangements to deal with such fractions for the benefit of the eligible Members including but not limited to, allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board who would hold them in trust for such Members and shall as soon as possible sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in the proportion of their respective fractional entitlements.

RESOLVED FURTHER that for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and as it may in its sole and absolute discretion deem necessary, expedient or incidental in regard to issue of Bonus Equity Shares, filing of any documents with the SEBI, Stock Exchanges where the shares of the Company are listed, Depositories, RBI, Ministry of Corporate Affairs and/ or any concerned authorities, applying and seeking necessary listing approvals from the Stock Exchanges, and to settle any questions, difficulty or doubt that may arise in regard thereto."

INSECTICIDES (INDIA) LIMITED
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi – 110033
investor@insecticidesindia.com
www.insecticidesindia.com

By Order of the Board of Directors
For Insecticides (India) Limited

Sandeep Kumar
Company Secretary & CCO
Delhi, August 20, 2022

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, No.02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, and No. 21/2021 dated December 14, 2021, (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Friday, September 23, 2022 at 03:00 p.m. The deemed venue of the proceedings of the 25th AGM shall be the Registered Office of the Company situated at 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.

3. The relevant details, pursuant to Regulation 36(3) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed hereto.

4. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE 25TH AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**

5. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned certified copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered e-mail address to akashguptacs86@gmail.com with a copy marked to investor@insecticidesindia.com and evoting@cdslindia.co.in and upload by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login at www.evotingindia.com

8. In line with the MCA Circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depository Participants, unless any Member has requested for a physical copy of the same. The Company shall send a physical copy of the Annual Report 2021-22 to those Members who request the same at investor@insecticidesindia.com mentioning their Folio No. / DP ID and Client ID. The Notice convening the 25th AGM has been uploaded on the website of the Company at www.insecticidesindia.com under 'Investors' section and can also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at https://evotingindia.com

9. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 23, 2022. Members who wish to inspect such documents can send their request to the Company at investor@insecticidesindia.com by mentioning name and Folio number/DPID and Client ID.

10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 22, 2022 through e-mail on investor@insecticidesindia.com. The same will be replied by the Company suitably.

11. **Book Closure and Dividend:**

a. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 17, 2022 to Tuesday, September 20, 2022, both days inclusive, for the purpose of Dividend and AGM.

The dividend of Rs. 3 per share (i.e. 30%) on the Equity Shares of the Company of Rs.10 each, if declared at the AGM, will be paid subject to deduction of income tax at source ('TDS'), as applicable on or after Monday, October 03, 2022 as under:

For Shares held in electronic form: To all the Beneficial Owners as at the end of the day on Friday, September 16, 2022 as per the list of Beneficial Owners to be furnished by NSDL and Central Depository Services (India) Limited ('CDSL'); and

For Shares held in physical form: To all the Members, whose names appears in the Company's Register of Members after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on Friday, September 16, 2022.

b. Dividend income is taxable in the hands of the Shareholders and the Company is required to deduct TDS from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company/Alankit Assignments Limited, Registrar and Transfer Agent ('Registrar' or 'RTA' or 'AAL') by sending documents through email by Monday, October 03, 2022. The detailed process is available on the website of the Company at: https://www.insecticidesindia.com

c. Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:

Shares held in physical form: Members are requested to send the following documents in original to AAL latest by Monday, October 03, 2022.

i. Form ISR-1 along with the supporting documents. The said form is available on the website of the Company at https://www.insecticidesindia.com/wp-content/uploads/2022/01/ISR-1.pdf.

ii. original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:-

- cancelled cheque in original.
- bank attested legible copy of the first page of the Bank Passbook / Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and the full address of the Bank branch.

iii. self-attested photocopy of the PAN Card of all the holders; and

iv. self-attested photocopy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to ensure that their DPs update their Electronic Bank Mandate by Monday, October 03, 2022

Further, please note that instructions, if any, already given by the Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.

For Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means due to non-registration of the Electronic Bank Mandate, the Company shall despatch the dividend warrant/demand draft to such Members.

12. **Unpaid/Unclaimed Dividend**

Pursuant to the provisions of Section 124 of the Act, the dividend which remains unpaid/unclaimed for a period of seven consecutive years from the date of transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Members are also requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, the shares in respect of such unclaimed dividends are also liable to be transferred to the DEMAT account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The due date for transfer of unclaimed / unpaid divided or shares to IEPF is available on the website of the company at https://www.insecticidesindia.com/wp-content/uploads/2022/07/SHRTRF_Website2022.pdf The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3 November, 2021.

13. Members may please note that SEBI vide its Circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the Company's website.

14. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/Direct Credit/ IMPS/ NEFT etc.

15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Alankit Assignments Limited ("AAL").

16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to AAL in case the shares are held by them in physical form.

17. **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the website of the Company at www.insecticidesindia.com Members are requested to submit the requisite form to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio no.

18. Members may contact AAL at rameshk1@alankit.com **for any assistance relating to the shares of the Company.**

19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

20. **Process for registering email addresses to receive the credentials for remote e-Voting along with this Notice:** Member, whose email address is not registered with the Company/RTA or with their respective DPs and who wish to receive the credentials for remote e-Voting along with the Notice of the 25th AGM and the Annual Report 2021-22 can get their email address registered by sending a request to the Company at investor@insecticidesindia.com on or before 5.00 p.m. (IST) on Thursday, September 15, 2022.

21. **Registration of email addresses permanently with the Company / DPs:** To support the Green initiative, Members are requested to register their email addresses with their concerned DPs, in respect of electronic holding and with AAL, in respect of physical holding. Further, those members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/ AAL for all future communications.

22. In terms of the provisions of Section 152 of the Act, Shri Hari Chand Aggarwal, Chairman & Whole-time Director of the Company, retire by rotation at this Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment. The details of Shri Hari Chand Aggarwal, Director, Seeking re-appointment, pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 and other applicable provisions are annexed herewith this notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made thereunder.

23. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at the 25th AGM being held through VC.

24. Instructions for e-voting and joining the AGM are as follows:

A. Voting through electronics means

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), read with SEBI circulars and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

II. The Members can join the AGM in the VC mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

III. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

IV. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.insecticidesindia.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

V. The AGM has been convened through VC in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.

VI. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC and cast their votes through e-voting.

VII. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only

VIII. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

IX. Pursuant to the Income-tax Act, 1961, as amended, dividend income is taxable in the hands of the Members with effect from 1st April, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates.

X. Members who hold shares in the certificate form or who have not registered their e-mail addresses with the Company or with the Depositories and wish to receive the AGM Notice and the Report and Accounts, or participate in the AGM, or cast their votes through remote e-voting or e-voting during the meeting, are required to register their e-mail addresses on the Company's corporate website under the section 'Investor's desk'. Alternatively, Members may send a letter requesting for registration of their e-mail addresses, mentioning their name and DP ID & Client ID / folio number, by post to the registered office of the company or scanned copy thereof through e-mail at investor@insecticidesindia.com.

XI. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail to the Company at investor@insecticidesindia.com from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by September 19, 2022 will be able to speak at the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The voting period begins on September 19, 2022 and ends on September 22, 2022. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 16, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

(iv) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

(v) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(vi) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(vii) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@insecticidesindia.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@insecticidesindia.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@insecticidesindia.com . These queries will be replied to by the company suitably by e-mail.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

Other Instructions

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?"Option available on www.evotingindia.com to reset the password.

2. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

3. All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

4. The Board of Directors has appointed M/s Akash Gupta & Associates, Company Secretaries, (PCS Regs. No. 11038) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

5. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

6. The facility for joining the AGM shall open 30 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 30 minutes after such schedule time.

7. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.insecticidesindia.com and on the website of CDSL www.evotingindia.com immediately after the declaration of Results by the Chairman or a person authorized by him. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

INSECTICIDES (INDIA) LIMITED
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi – 110033
investor@insecticidesindia.com
www.insecticidesindia.com

By Order of the Board of Directors
For Insecticides (India)
Limited

Sandeep Kumar
Company Secretary & CCO
Delhi, August 20, 2022

EXPLANATORY STATEMENT IN RESPECT TO THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 11 of the accompanying Notice dated August 20, 2022

Item no. 4

Re-appointment of Joint Statutory Auditors of the Company

This Explanatory Statement is provided pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). However, the same is strictly not required as per Section 102 of the Act.

In accordance with Sections 139 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 20th Annual General Meeting ('AGM') held on August 08, 2017, appointed S S Kothari Mehta & Co., Chartered Accountants (ICAI Regd. No.: 000756N) and Devesh Parekh & Co., Chartered Accountants (ICAI Regd. No. 013338N) as the Joint Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of the 20th AGM till the conclusion of the 25th AGM of the Company.

Pursuant to the Act, no listed company can appoint/re-appoint an audit firm as a Statutory Auditor for more than two terms of five (5) consecutive years and accordingly, S S Kothari Mehta & Co., and Devesh Parekh & Co., are eligible to be re-appointed as the Joint Statutory Auditor of the Company for another term of five (5) consecutive years.

The Board of Directors of the Company, at its meeting held on May 26, 2022, on the recommendation of the Audit Committee has, after considering and evaluating various proposals and factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc. recommended the re-appointment of S S Kothari Mehta & Co., and Devesh Parekh & Co., as the Joint Statutory Auditors of the Company, to the Members at the ensuing AGM for a second term of five (5) consecutive years from the conclusion of this AGM till the conclusion of the 30th AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time"

As required under the SEBI Listing Regulations, S S Kothari Mehta & Co., and Devesh Parekh & Co., holds a valid certificate issued by the Peer Review Board of ICAI. S S Kothari Mehta & Co., and Devesh Parekh & Co., has consented to its re-appointment as Joint Statutory Auditors and has confirmed that their re-appointment, if made, shall be in accordance with Sections 139, 141 and other applicable provisions of the Act and rules framed thereunder. They have also confirmed that they do not have any financial interest in, or association with the Company which may lead to conflict of interest situations.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel ('KMP') of the Company and their respective relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the accompanying Notice.

Item no. 5

Ratification of remuneration of Cost Auditors for the financial year - 2022-23

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, 2023.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

M/s. Aggarwal Ashwani K. & Associates, Cost Accountants, Delhi (Firm Regd. No. 100191), have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the cost auditor has to be ratified by the shareholders of the Company.

Accordingly, ratification by the members is sought to the remuneration of ₹5,20,000/- (Rupees Five Lakhs Twenty Thousand Only) (excluding out of pocket expenses and applicable taxes) payable to the Cost Auditor for Financial year ending March 31, 2023 by passing Ordinary Resolution as set out at Item No. 5 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel ('KMP') of the Company and their respective relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the accompanying Notice.

Item no. 6

Re-appointment of Shri Hari Chand Aggarwal as Whole-time Director

In line with the recommendation of the Nomination and Remuneration committee, the Board of Directors in their meeting held on August 12, 2022 has re-appointed Shri Hari Chand Aggarwal (DIN: 00577015) as Chairman & Whole-time Director of the Company, liable to retire by rotation, for a period of five years with effect from October 01, 2022. The disclosure in accordance with the provisions of Regulation 36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in regard to the re-appointment of Whole-time Director is given below and Annexed to this notice.

Shri Hari Chand Aggarwal, born on November 15, 1948, having a very wide experience in Operations, Purchase HR and Agro-Chemicals. Shri Hari Chand Aggarwal has more than 59 years of experience. He is the Chairman of the Board and Chairman of the Finance and Corporate Social Responsibility Committee of the Company. He is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Shri Hari Chand Aggarwal holds 923400 equity shares of the Company in his individual name and 1494000 equity shares as Karta of HUF. Shri Aggarwal fulfills the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013. The remuneration payable to Shri Hari Chand Aggarwal is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time. The Revised Remuneration will be payable from the date of appointment/ re-appointment to the office of Director.

I. Basic Salary:

₹4,80,000 per month. Annual increments will be effective from 1st April each year, as may be decided by the Board of Directors on the recommendation of Nomination & Remuneration Committee of the Company based on the merit and performance of the Director and also after taking into account the overall performance of the Company. Further, the annual increment in the CTC shall not exceed 15% of the total CTC of immediate preceding financial year.

II. Perquisites / Allowances:

Shri Hari Chand Aggarwal shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Personal Accident Insurance, conveyance, Car, Driver, Bonus and other allowances / perquisites as per policy of the Company. Presently, total value of perquisites / allowances (including HRA, food allowances, Car & other allowances / perquisites) except retiral benefits are ₹5,28,000/- per month. However, perquisites / allowances can be structured as per the policy of the Company.

III. Retiral Benefits:

In addition to the above perquisites, Director shall also be eligible to the Retiral benefits, which is not included in the computation of the above perquisites/ Allowances. The Provident Fund, NPS, Superannuation & Gratuity etc. is payable as per applicable laws.

IV. Total Remuneration including Commission:

Mr. Hari Chand Aggarwal shall be entitled to receive Annual Commission upto 5%, salary and other perquisites (i.e. overall remuneration) payable to any one Managing Director or Whole time Director shall not exceed 5% of the net profits of the Company and remuneration of all the Whole-time Director shall not exceed 10% of the net profits of the Company for the year in respect of which the remuneration is paid. The individual breakup of commission / annual increment of individual Whole time Director and Managing Director will be decided by the Board/ Nomination & Remuneration Committee from time to time and shall not exceed the overall ceiling stipulated U/s 197 of the Companies Act, 2013 or any amendment thereto.

V. Minimum Remuneration:

During the tenure in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

The above terms may be varied, altered, increased, enhanced or widened from time to time by the Nomination & Remuneration Committee or Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

The Board recommends and proposes to pass the resolution set out at Item no. 6 of the notice as Special Resolution. The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196 of the Companies Act, 2013.

Shri Hari Chand Aggarwal is interested in the resolution set out at Item No. 6 of the Notice. Shri Rajesh Aggarwal and Smt. Nikunj Aggarwal, being related to Shri Hari Chand Aggarwal may be deemed to be interested in the said resolution. The relatives of Shri Hari Chand Aggarwal may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. 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 resolution.

The relevant resolutions passed at the Board and Committee Meetings and other allied documents being referred in the resolution, are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection.

Item no. 7
Re-appointment of Smt. Nikunj Aggarwal as Whole-time Director

In line with the recommendation of the Nomination and Remuneration committee, the Board of Directors in their meeting held on August 12, 2022 has re-appointed Smt. Nikunj Aggarwal (DIN: 06569091) as Whole-time Director of the Company, liable to retire by rotation, for a period of five years with effect from May 02, 2023. The disclosure in accordance with the provisions of Regulation 36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in regard to the re-appointment of Whole-time Director is given below and Annexed to this notice.

Smt. Nikunj Aggarwal, born on January 01, 1973 having an experience of more than16 years and associated with Company as an Whole-time Director for last 9 years looking after the Administration & Finance Strategy, Customer relationship Management of the Company. She is member of Finance committee of the Company. She is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Smt. Aggarwal holds 3125000 equity shares of the Company in his individual name. She fulfils the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013. The remuneration payable to Smt. Nikunj Aggarwal is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time. The Revised Remuneration will be payable from the date of appointment/ re-appointment to the office of Director.

I. Basic Salary:

₹2,00,000 per month. Annual increments will be effective from 1st April each year, as may be decided by the Board of Directors on the recommendation of Nomination & Remuneration Committee of the Company based on the merit and performance of the Director and also after taking into account the overall performance of the Company. Further, the annual increment in the CTC shall not exceed 15% of the total CTC of immediate preceding financial year.

II. Perquisites / Allowances:

Smt. Nikunj Aggarwal shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Personal Accident Insurance, conveyance, Car, Driver, Bonus and other allowances / perquisites as per policy of the Company. Presently, total value of perquisites / allowances (including HRA, food allowances, Car & other allowances / perquisites) except retiral benefits are ₹ 2,10,000/- per month. However, perquisites / allowances can be structured as per the policy of the Company.

III. Retiral Benefits:

In addition to the above perquisites, Director shall also be eligible to the Retiral benefits, which is not included in the computation of the above perquisites/ Allowances. The Provident Fund, NPS, Superannuation & Gratuity etc. is payable as per applicable laws.

IV. Minimum Remuneration:

During the tenure in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

The above terms may be varied, altered, increased, enhanced or widened from time to time by the Nomination & Remuneration Committee or Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

The Board recommends and proposes to pass the resolution set out at Item no. 7 of the notice as Special Resolution. The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196 of the Companies Act, 2013.

Smt. Nikunj Aggarwal is interested in the resolution set out at Item No. 7 of the Notice. Shri Rajesh Aggarwal and Shri Hari Chand Aggarwal, being related to Smt. Nikunj Aggarwal may be deemed to be interested in the said resolution. The relatives of Smt. Nikunj Aggarwal may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. 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 resolution.

The relevant resolutions passed at the Board and Committee Meetings and other allied documents being referred in the resolution, are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection.

Item no. 8

Appointment of Shri Anil Kumar Goyal as Whole-time Director

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration committee, has Appointed Shri Anil Kumar Goyal (DIN: 09707818) as Whole-time (Additional) Director of the Company, liable to retire by rotation, at its meeting held on August 20, 2022. His appointment is the term of five (5) consecutive years with effect from August 20, 2022 to August 19, 2027 and is subject to the approval of the members of the Company. The disclosure in accordance with the provisions of Regulation 36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in regard to the re-appointment of Whole-time Director is given below and Annexed to this notice.

Shri Anil Kumar Goyal, born on November 23, 1965 having an experience of over 35 years and associated with Company Since 2009, he has been assigned with various roles and responsibilities in the Company, he has led various portfolios in Operations and Administration. He is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. Shri Anil Kumar Goyal does not holds equity shares of the Company. He fulfils the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013. The remuneration payable to Shri Anil Kumar Goyal is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time. The Revised Remuneration will be payable from the date of appointment/re-appointment to the office of Director.

I. Basic Salary:

₹61,000 per month. Annual increments will be effective from 1st April each year, as may be decided by the Board of Directors on the recommendation of Nomination & Remuneration Committee of the Company based on the merit and performance of the Director and also after taking into account the overall performance of the Company. Further, the annual increment in the CTC shall not exceed 15% of the total CTC of immediate preceding financial year.

II. Perquisites / Allowances

Shri Anil Kumar Goyal shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Personal Accident Insurance, conveyance, Car, Driver, Bonus and other allowances / perquisites as per policy of the Company. Presently, total value of perquisites / allowances (including HRA, food allowances, Car & other allowances / perquisites) except retiral benefits are ₹82,100/- per month. However, perquisites / allowances can be structured as per the policy of the Company.

III. Retiral Benefits:

In addition to the above perquisites, director shall also be eligible to the Retiral benefits, which is not included in the computation of the above perquisites/ Allowances. The Provident Fund, NPS, Superannuation & Gratuity etc. is payable as per applicable laws.

IV. Minimum Remuneration

During the tenure in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

The above terms may be varied, altered, increased, enhanced or widened from time to time by the Nomination & Remuneration Committee or Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

The Board recommends and proposes to pass the resolution set out at Item no. 8 of the notice as Special Resolution. The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196 of the Companies Act, 2013.

Mr. Anil Kumar Goyal is not related to any director or key managerial personnel of the Company. Except Mr. Anil Kumar Goyal, none of the directors, key managerial personnel of the Company, or their relatives is, in any way, concerned or interested, financially or otherwise in the special resolution set out at item no. 8 of the Notice

The relevant resolutions passed at the Board and Committee Meetings and other allied documents being referred in the resolution, are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection.

Item no. 9

Appointment of Shri Anil Kumar Bhatia as an Independent Director

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee, has appointed Shri Anil Kumar Bhatia (DIN: 09707921) as an Independent (additional) director of the Company, at its meeting held on August 20, 2022. His appointment is for the first term of five (5) consecutive years with effect from August 20, 2022 to August 19, 2027 (both the days inclusive) and is subject to the approval of the members of the Company. During his tenure as an independent director, Shri Anil Kumar Bhatia is not liable to retire by rotation.

The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Shri Anil Kumar Bhatia for the office of Director of the Company. Shri Anil Kumar Bhatia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. Further, Shri Anil Kumar Bhatia is not debarred from holding the office of Director pursuant to any Order issued by SEBI or any other authority. Information to be provided under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard 2 issued by the Institute of Company Secretaries of India has been **Annexed** to this Notice and.

The Board has assessed the veracity of the above declarations and other documents furnished by Shri Anil Kumar Bhatia, basis of the confirmations/declarations provided by him, the Board is of the opinion that he fulfils the conditions/criteria specified under the Act, the Rules and the Listing Regulations in relation to his appointment as an independent director of the Company. He is independent of the management of the Company. Considering his skill sets of Financial Planning, governance, risk management and analytical skills coupled with his vast and varied experience, the Board is of the view that it is desirable to appoint him as an independent director of the Company.

Mr. Anil Kumar Bhatia is enrolled in the online databank of Independent directors maintained by the Indian Institute of Corporate Affairs, Government of India

The Board is of the view that his appointment as an independent director will be in the best interests of the Company. The Company would immensely benefit from his appointment as such; the Board recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for approval of the Members of the Company.

Copy of the letter of appointment as issued to Shri Anil Kumar Bhatia setting out all the terms and conditions of his appointment as an independent director is available on the website of the Company at www.insecticidesindia.com. Mr. Anil Kumar Bhatia in his capacity as an independent director, will be entitled to sitting fees and reimbursement of expenses for attending the meetings of the Board and its committees, if any.

Mr. Anil Kumar Bhatia is not related to any director or key managerial personnel of the Company. Except Mr. Anil Kumar Bhatia, none of the directors, key managerial personnel of the Company, or their relatives is, in any way, concerned or interested, financially or otherwise in the special resolution set out at item no. 9 of the Notice

Item no. 10 & 11

Increase in Authorized Share Capital and consequent alteration to Memorandum of Association of the Company & Issue of Bonus Shares

The Equity Shares of your Company are listed and actively traded on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). With a view to reward the existing Shareholders of the Company, encourage participation of retail investors by increasing the liquidity of the equity shares and expand the retail shareholders' base, the Board of Directors at their meeting held on August 20, 2022 considered, approved and recommended (subject to approval of the Members and any other statutory and regulatory approvals as may be applicable), a Bonus Issue of 1 (One) fully paid-up Equity Share of ₹10/- each for every 2 (Two) fully paid-up Equity Shares held as on the

"Record Date" (to be determined by the Board) by capitalizing ₹9,86,59,460/- (Rupees Nine crore eighty six lakhs fifty nine thousand four hundred and sixty only)or such other amount standing to the credit of Securities Premium Account as per the Audited Financial Statements of the Company as on March 31, 2022, as may be considered appropriate by the Board.

Presently, the Authorised Share Capital of your Company is present ₹25,00,00,000 (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares having face value of ₹10/- (Rupees Ten). Accordingly, it is necessary to increase the Authorised Share Capital to facilitate issuance of Bonus Equity Shares and for future requirements, if any. Hence, it is proposed to increase the Authorised Share Capital to ₹35,00,00,000 (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of face value of ₹10/- each (Rupees Ten).

The issue of Bonus Equity Shares, increase in authorized share capital and alteration of relevant clauses of the Memorandum of Association of the Company are subject to Members' approval in terms of Sections 13, 61 and 63 of the Companies Act, 2013 and any other applicable statutory and regulatory approvals. The capitalization of the securities premium account requires Members' approval as per the Articles of Association of the Company.

The Bonus Equity Shares, once allotted, shall rank pari-passu in all respects and carry the same rights as the existing Equity Shares of the Company and holders of the bonus shares shall be entitled to participate in full in any dividend and other corporate action, recommended and declared after the new Equity Shares are allotted.

The Board recommends the Resolution at Item Nos. 10 and 11 as Ordinary Resolutions for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 10 and 11 of the Notice, except to the extent of their shareholding held by them in the Company, if any, and shares which may be allotted to them as part of this Bonus issue.

INSECTICIDES (INDIA) LIMITED
CIN: L65991DL1996PLC083909
401-402, Lusa Tower, Azadpur Commercial Complex,
Delhi – 110033
investor@insecticidesindia.com
www.insecticidesindia.com

By Order of the Board of Directors
For Insecticides (India) Limited

Sandeep Kumar
Company Secretary & CCO
Delhi, August 20, 2022

Annexure to the Notice dated August 20, 2022

Information of Director retiring by rotation and the Directors seeking appointment and re-appointment at the Annual General Meeting pursuant to Regulation 26 and 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in accordance with provisions of Companies Act, 2013 and Secretarial Standards, as on the date of Notice:

Name	Shri. Hari Chand Aggarwal	Smt. Nikunj Aggarwal	Shri Anil Kumar Goyal	Shri Anil Kumar Bhatia
Age	74 Years	49 Years	57 Years	63 Years
DIN	00577015	06569091	09707818	09707921
Designation / Category of Director	Chairman & Whole-time Director	Whole-time Director	Whole-time Director	Independent Director
Date of Birth	November 15, 1948	January 01, 1973	November 23, 1965	April 05, 1959
Date of First Appointment on the Board	October 12, 2001	May 02, 2013	August 20, 2022	August 20, 2022
Qualification	High School	B.Com (Hons)	B. Com (Hons)	M.Com; ICWA
Experience	Over 59 Years of Experience	Over 16 years of Experience	Over 35 Years of Experience	Over 40 Years of Experience
Brief resume and nature of their expertise in specific functional areas	Shri Hari Chand Aggarwal is the Chairman & Whole-time Director and promoter of the Company; he has established IIL along with his Son Rajesh Aggarwal, Managing Director of the Company and started the operations of the Company in 2002. He has experience of more than 5 decades in the Agro-chemical Industry. He is actively engaged in management of the Company since inception and helped the Company to grow extensively over the period of time. He is playing vital role in formulation business strategies and effective implementation of the same. His leadership abilities have been instrumental in leading the core team of the IIL.	Smt. Nikunj Aggarwal is a B.com (Hons) from Hans Raj College, Delhi University and has a diverse experience in the areas of Administration & Finance Strategy, Customer Relationship Mgt., and keen towards Social cause. She has been whole-time Director of the Company for nearly 9 years and is responsible for the overall transformation of the Company over the last several years by managing numerous portfolios from Admin, IT, Business Development, and CSR related activities. Her current role is focused on identifying new business opportunities, Mergers & Acquisitions, evaluate and execute such possibilities apart from various other strategic initiatives, Investor relations, and handling joint-ventures and key customer relationships on behalf of the Company	Shri Anil Kumar Goyal has a distinguished corporate career of 36 years. He has joined Insecticides (India) Limited in the Year 2009, he has been assigned with various roles and responsibilities in the Company, he has led various portfolios in Operations and Administration. Shri Anil Kumar Goyal is production oriented passionate people manager, driving production in focus and performance improvement. Other areas of his expertise include sales, business planning, strategy development and innovation Shri Anil Kumar Goyal is Commerce Graduate from Delhi University.	Shri Anil Kumar Bhatia a distinguished banker who retired from Punjab National Bank the 2nd Largest PSU Bank of India as Circle head of Punjab region. He had held the Chairmanship of Madhya Bihar Gramin Bank (Subsidiary of PNB) for 3 Years during his tenure with Punjab National Bank. Shri Anil Kumar Bhatia is B.Com and M.Com from Delhi University. He is also an ICWA from Institute of Cost Accountants of India
Term and Condition of Appointment / Re-appointment	Liable to retire by rotation and more details mentioned in explanatory statement	Liable to retire by rotation and more details mentioned in explanatory statement	Liable to retire by rotation and more details mentioned in explanatory statement	Not-liable to retire by rotation and more details mentioned in explanatory statement

Name	Shri. Hari Chand Aggarwal	Smt. Nikunj Aggarwal	Shri Anil Kumar Goyal	Shri Anil Kumar Bhatia
Details of remuneration sought to be paid and remuneration drawn	Provided in the corporate governance report in the Annual Report 2021-2022 and as mentioned in explanatory statement	Provided in the corporate governance report in the Annual Report 2021-2022 and as mentioned in explanatory statement	As mentioned in explanatory statement	He shall be entitled only for sitting fees as approved by the Board from time to time
Number of meeting of Board attended during the year (2021-2022)	04	04	NA	NA
Shareholding in Company as on March 31, 2022	9,23,400/- (4.68%) Equity Shares	31,25,000/- (15.84%) Equity Shares	Nil	Nil
Relationship with other Directors / KMPs	Father of Shri Rajesh Aggarwal, Managing Director, Father in law of Smt. Nikunj Aggarwal, Whole Time Director and not related to any other Director / Key Managerial Personnel	Spouse of Shri Rajesh Aggarwal, Managing Director and Daughter-in-law of Shri Hari Chand Aggarwal, Chairman & WTD and not related to any other Director / Key Managerial Personnel	Not related to any of the Director or KMP of the Company	Not related to any of the Director or KMP of the Company
Names of the listed Companies in which person holds Directorship	Insecticides (India) Limited	Insecticides (India) Limited	Insecticides (India) Limited	Insecticides (India) Limited
Membership / Chairmanship of committees of other Boards as on 31/03/2022	None	None	None	None
Names of listed Companies in which person ceased to be a Director in past three years	None	None	None	None
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements.	NA	NA	NA	Shri Anil Kumar Bhatia, brings with him diverse and technical expertise in the areas of Finance, Banking Management, Corporate Strategies, Human Resource Management, Procurement, Legal & Regulatory matters, Corporate Governance and Risk Management.

www.insecticidesindia.com

TRACTOR BRAND

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Conceptualized and Developed By