

ANNUAL  
REPORT | 2010-11



*Painting a brighter* **future**





# Our Brand Spread to Cherish Farmers





## Message of Chairman

Dear Stakeholders,

I feel immense pleasure in expressing my feelings and gratitude to you for the trust and confidence poised on us. This year we have many milestones that I will share with you, along with the achievements and financial snapshots.

Agriculture in India has a long history dating back to ten thousand years. Indian agriculture began by 9000 BC as a result of early cultivation of plants, and domestication of crops and animals. Indian products soon reached the world via existing trading networks and many foreign crops were introduced. Today, India ranks second in world farm output. According to World Bank, Indian Branch: Priorities for Agriculture and Rural Development\*, one of the reasons of low productivity in India is adoption of modern agricultural practices and use of technology is inadequate.

The agricultural production is notable to cope up with the increasing demand for food due to population explosion. This gap can be narrowed by shortening the difference between potential production and actual production with use of efficient and innovative technology to enhance per hectare productivity of agricultural land.

We, at Insecticides (India) Limited (IIL) invest significantly in the research and development for higher quality agriculture production. At IIL, we approach each challenge armed with our knowledge of agri-science & motivated by our commitment to increase crop yield. Recently our R&D center has also bagged NABL accreditation.

Our new manufacturing facilities at Udampur and Dahej have started their operations to cater the increasing demand and increase the spectrum of our products. This will enable us to reduce the time cycle of our supplies. These are state of the art manufacturing facilities with fully automatic machines as well as packaging.

To strengthen the leading product line of Lethal, Victor and Thimet, this year we have also acquired one of the biggest

brand of agrochemicals MONOCIL, an insecticide. To create a niche for our products, we have also signed renowned actor **Suniel Shetty** to endorse for our products. We are presenting Suniel Shetty as a representative of the modern farmers using all the modern agri techniques. With Global collaborations and national tie-ups, IIL has placed new challenges for itself and is all set to extent towards new pinnacle.

I would also like to share that your company has been graded 3 out of 5 by CRISIL for equity research. Your company has also been rated A Stable for long term and P1 for short term funding.

I would also like to share with you, that your company has achieved a turnover of ₹ 477.90 Cr. with an increase of 20 % and PAT of ₹ 32.21 Cr. with an increase of 14% compared to last fiscal. Company's scrip has also touched all time high of ₹ 352. With our vision to think ahead of times I am sure that this is just the beginning.

On this note, I would like to thank all our board of directors, bankers, employees, vendors, customers, associates, experts of agri community, government bodies and shareholders for their continuous support, which has contributed immensely in taking your company to new heights.

Warm regards,  
Yours sincerely

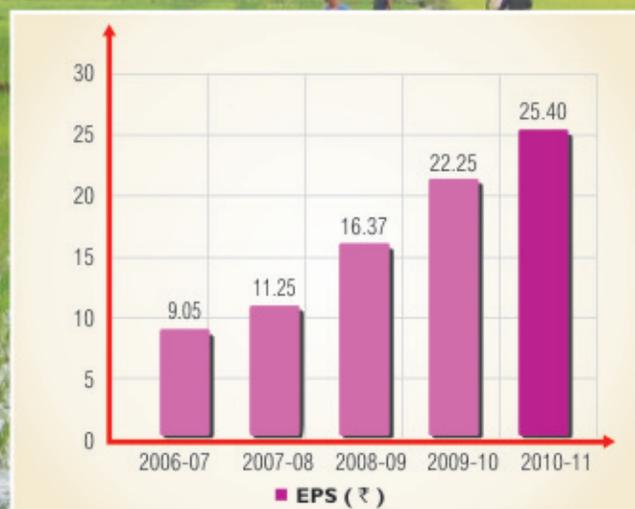
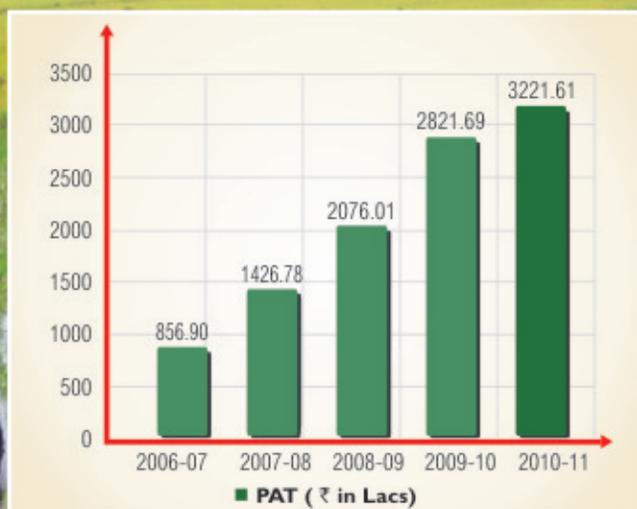
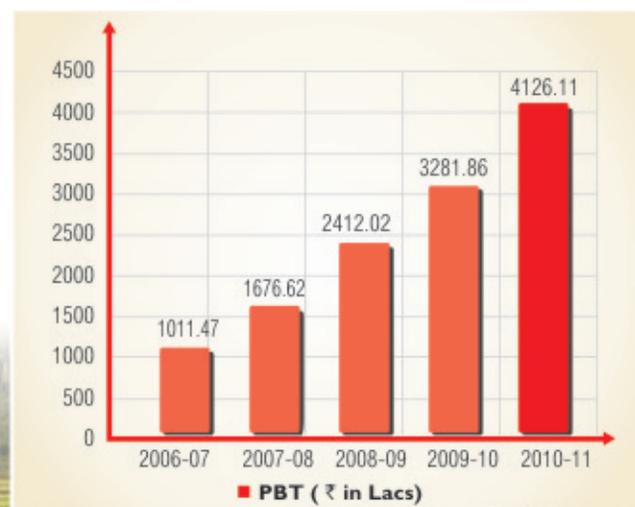
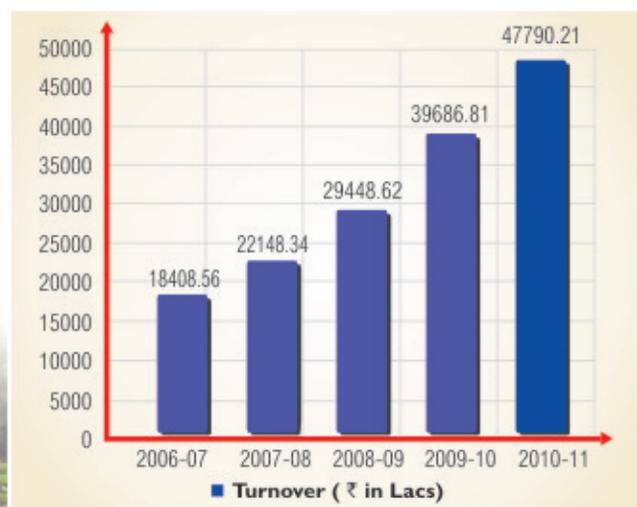
H.C. Aggrawal  
Chairman



# Financial Summary

(₹ in Lacs)

Description	2010-11	2009-10	2008-09	2007-08	2006-07
<b>PROFIT AND LOSS ACCOUNT</b>					
Sales	47790.21	39686.81	29448.62	22148.34	18408.56
Other Income	15.25	128.53	145.78	178.95	25.63
Total Revenue	47805.46	39815.34	29594.40	22327.29	18434.19
Increase/Decrease in Stocks	1641.97	1135.98	2332.73	689.80	559.30
Expenditure	45321.32	37669.46	29515.11	21340.47	17982.02
Earnings before Depreciation, Interest and Tax (EBDITA)	4521.10	3653.55	2944.40	1969.94	1223.68
EBDITA Margins (%)	9.5	9.2	10.0	8.9	6.6
Profit before Tax	4126.11	3281.86	2412.02	1676.62	1011.47
Tax	904.50	460.17	336.01	249.84	154.57
<b>Profit after Tax (PAT)</b>	<b>3221.61</b>	<b>2821.69</b>	<b>2076.01</b>	<b>1426.78</b>	<b>856.9</b>
Pat Margins (%)	6.7	7.1	7.0	6.4	4.7
Dividend - Equity	317.08	253.66	253.66	190.24	0
Tax on Distributed Profit	51.44	42.13	43.11	32.33	0
Retained Earnings	2853.09	2525.90	1782.55	1204.21	856.9
<b>BALANCE SHEET</b>					
Equity Capital	1268.30	1268.30	1268.30	1268.30	947.27
Share Application Money	-	-	-	-	-
Reserve & Surplus	14206.31	11353.22	8813.45	7030.89	2455.90
Net Worth	15474.61	12621.52	10081.75	8299.19	3403.17
Borrowings	3804.22	2189.75	1379.78	1495.94	1378.98
Deferred Tax Liability (Net)	204.92	168.11	139.83	101.87	58.21
Total Capital Employed	19483.75	14979.38	11601.36	9897.00	4840.36
Net Fixed Assets	9062.82	3259.01	2528.26	2005.75	1258.55
Investments	5.21	499.62	1717.24	1837.89	9.94
Net Current Assets	10066.54	10858.98	6984.05	5669.63	3571.05
Miscellaneous Expenditure (to the extent not written-off)	349.18	361.77	371.81	383.72	0.83
Earning per Share before/after Exceptional Items	25.40	22.25	16.37	11.25&11.75	9.05
<b>Book Value</b>	<b>122.01</b>	<b>99.52</b>	<b>79.49</b>	<b>65.44</b>	<b>35.93</b>



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### IMPORTANT INTIMATION TO THE MEMBERS

As you may be aware, The Ministry of Corporate Affairs, Government of India ('MCA') has recently introduced 'Green Initiative in Corporate Governance' by allowing paperless compliance by Companies i.e. Service of notice/ documents including Annual Report can be sent by e-mail to its Members. Keeping in view the underlying spirit and pursuant to the said initiative of MCA, we request to the members who have not registered their e-mail addresses, so far, to register their e-mail addresses, in respect of electronic holdings with the Depository through their respective Depository Participants. Members holding shares in physical form are also requested to register their e-mail addresses with Company's Registrar & Share Transfer Agent viz. Alankit Assignments Limited.

**BOARD OF DIRECTORS**

Mr. Hari Chand Aggarwal	Chairman
Mr. Rajesh Aggarwal	Managing Director
Mr. Sanjeev Bansal	Whole-time Director
Mr. Rajender Pershad Gupta	Director
Mr. Navneet Goel	Director
Mr. Gopal Chandra Agarwal	Director
Mr. Navin Shah	Director
Mr. Anil Kumar Singh	Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Pankaj Gupta

**AUDITORS**

M/s Mohit Parekh & Co.  
Chartered Accountants  
Delhi

**INTERNAL AUDITORS**

M/s Devesh Parekh & Co.  
Chartered Accountants  
Delhi

**BANKERS**

Punjab National Bank  
Citi Bank N.A  
Standard Chartered Bank

**REGISTRAR & TRANSFER AGENT**

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

**REGISTERED & CORPORATE OFFICE**

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

**WORKS OFFICE**

E – 442, RIICO Industrial Area,  
Chopanki, (Bhiwadi) – 301 707 (Raj.)

E – 443 – 444, RIICO Industrial Area,  
Chopanki, (Bhiwadi) – 301 707 (Raj.)

SIDCO, Industrial Growth Centre,  
Post & Dist. Samba (J & K)

II D, Centre Battal Ballian, Udhampur (J&K)

CH-21, GIDC Industrial Estate, Dahej, Dist. Bharuch (Gujarat)

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report and the Audited Statements of Accounts of the Company for the year ended on March 31, 2011.

### 1. FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Current Year March 31, 2011	Previous Year March 31, 2010
Turnover	47790.21	39686.81
Other Income	15.25	128.53
<b>Total Income</b>	<b>47805.46</b>	39815.34
<b>Earnings before Interest, Depreciation &amp; Taxation (EBIDTA)</b>	<b>4521.10</b>	3653.55
Less : Interest & Financial Charges	242.03	251.68
Depreciation	152.96	120.01
<b>Profit before Taxation (PBT)</b>	<b>4126.11</b>	3281.86
Less: Provision for Income Tax	864.38	432.65
Deferred Tax	36.81	27.52
Wealth Tax	3.31	-
<b>Profit after Tax (PAT)</b>	<b>3221.61</b>	2821.69
<b>Amount available for appropriation</b>	<b>10516.86</b>	7783.44
Proposed Final Dividend	317.08	253.66
Income Tax on the Proposed Final Dividend	51.44	42.13
Transfer to General Reserve	322.16	211.63
<b>Balance carried forward to Balance Sheet</b>	<b>9826.18</b>	7295.25

### 2. REVIEW OF PERFORMANCE

During the year under review, the turnover of the Company rose to ₹ 47790.21 lacs as against ₹ 39686.81 lacs reported last year, registering a growth of 20%. The Company has earned net profit ₹ 3221.61 lacs, as against the net profit of ₹ 2821.69 lacs reported last year, registering a growth of 14%. The improvement in performance of your Company could mainly be attributed to better capacity utilization, ongoing emphasis on productivity and efficiency, improvement in all areas of operation.

### 3. DIVIDEND

The Board of Directors has recommended a final dividend of ₹ 2.50 (25%) per Equity Share for the year 2010-11 (Previous year ₹ 2.00 (20%) per Equity Share). The final dividend, if approved at the ensuing Annual General Meeting will be

paid to all those Equity Shareholders whose name appear on the Register of Members as on August 23, 2011. The amount of dividend and the tax thereon aggregates to ₹ 317.08 lacs and ₹ 51.44 lacs.

### 4. FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits within the meaning of Section 58-A and 58AA of the Companies Act, 1956 and rules made there under.

### 5. POLLUTION CONTROL

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

### 6. SUBSIDIARY COMPANY

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

### 7. DIRECTORS

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

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and in accordance with Article 89 of the Articles of Association of the Company, Mr. Navin Shah and Mr. Gopal Chandra Agarwal, Directors of the Company who retires by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Details of the Directors seeking re-appointment as required under Clause 49(VI) of the Listing Agreements entered into with the Stock Exchanges are provided in the Notice forming part of this Annual Report.

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

### 8. DIRECTORS RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the year ended on March 31, 2011, the applicable accounting

standards read with requirements set out under Schedule VI of the Companies Act, 1956, have been followed and there are no material departures from the same;

- ii) The Directors have 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 ended on that date;
- iii) The Directors have proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts on a going concern basis.

## 9. CORPORATE GOVERNANCE

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

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

## 10. AUDITORS AND AUDITORS' REPORT

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

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

## 11. COST AUDITORS

In reference General Circular No. 15/201 and 52/5/CAB-2011 issued by the Ministry of Corporate Affairs (MCA), M/s A.G.S. & Associates, Cost Accountants have been appointed as Cost Auditors of the Company for conducting audit of the cost accounts maintained by the Company in respect of Insecticides for the year 2011-12.

## 12. EXCISE DUTY

During the year under review, a sum of ₹ 2780.46 lacs was paid on account of Excise Duty on various products manufactured by your Company.

## 13. HUMAN RESOURCES

In spite of a challenging year with demands of the products decreasing, cordial industrial relations environment prevailed at all the manufacturing units of the Company during the year.

## 14. QUALITY POLICY/CERTIFICATION

The Company is committed to provide consistent good quality products to its customers worldwide and for achievement of world class quality in the products manufactured, every employee is involved in ensuring quality of products at all times. Management on its part is fully committed to further improve quality and provides all resources to accomplish this task. The Company is also committed to continually improve safety and health of employees and working environment through institutionalizing proactive safety, health and environmental management strategies.

## 15. CREDIT RATING

Your Company has sustained its long term credit rating of A/Stable and its short term credit rating of P1 by CRISIL. This indicates a very strong degree of safety with regard to timely payment of interest and principal.

## 16. PHASE – II OF EXPANSION (AS PER PROSPECTUS) – PRESENT STATUS

The Company have successfully commenced the commercial production from both units one of unit at Udhampur (J&K) and other unit at Dahej, Gujarat.

## 17. CORPORATE SOCIAL RESPONSIBILITY

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

## 18. EXPORT

During the year, the export turnover is ₹ 328.89 lacs compared to ₹ 79.06 lacs achieved during the previous year. The Company has participated in various exhibitions and conferences through the World and the Company is planning for registration in various countries.

## 19. INSURANCE

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

**20. BRAND ACQUISITION**

Your Company has acquired the Brand "MONOCIL" from NOCIL Limited. The said brand is most popular in Indian Farming Community and this is largest selling product in generic category.

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

During the year under report, there was no employee drawing a salary exceeding the limits prescribed u/s 217 (2A) of the Companies Act, 1956 read with rules made there under.

**22. ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

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

**23. CASH FLOW ANALYSIS**

The Cash Flow Statement for the year under reference in terms of Clause 32 of the Listing Agreement with the Stock Exchanges is attached to this report.

**24. APPRECIATION**

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

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

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

**(Hari Chand Aggarwal)**

Chairman

DIN-00577015

Place : Delhi

Date : May 30, 2011

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

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

**A. Conservation of Energy**
**i) Energy Conservation Measures taken**

Energy conservation efforts are ongoing activities. During the year under review, further efforts were made to ensure optimum utilization of fuel and electricity.

ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : Nil

iii) Impact of measures at (i) & (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.

iv) Total energy consumption and energy consumption per unit of production as per FORM 'A'

**FORM 'A'**
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**
**I. Power and Fuel Consumption**

		Current Year	Previous Year
<b>(1) Electricity</b>			
a) Purchase – Chopanki Unit			
Unit	(KWH)	232764	206420
Total Amount	(₹ in Lacs)	11.74	10.37
Average Rate/Unit	(₹)	4.93	5.02
b) Purchase – Samba Unit			
Unit	(KWH)	461800	326297
Total Amount	(₹ in Lacs)	14.30	9.81
Average Rate/Unit	(₹)	3.10	3.00
c) Purchase – Technical Plant (Chopanki)			
Unit	(KWH)	925890	889008
Total Amount	(₹ in Lacs)	41.32	39.71
Average Rate/Unit	(₹)	4.46	4.47
d) Own Generation – Chopanki Unit (Through Diesel Generator)			
Unit	Ltr.	9170	6250
Total Amount	(₹ in Lacs)	3.38	2.60
Average Rate/Unit	(₹)	36.88	32.99
e) Own Generation – Samba Unit (Through Diesel Generator)			
Unit	Ltr.	40500	29000
Total Amount	(₹ in Lacs)	15.56	9.73
Average Rate/Unit	(₹)	38.41	33.56
f) Own Generation – Technical Plant (Chopanki) (Through Diesel Generator)			
Unit	Ltr.	36752	36324
Total Amount	(₹ in Lacs)	13.51	11.94
Average Rate/Unit	(₹)	36.76	32.87
<b>(2) Coal (Quantity)</b>			
Total Cost & Average Rate		Nil	Nil
<b>(3) Furnace Oil (KL)</b>			
Total Cost & Average Rate		Nil	Nil
<b>(4) Other/Internal Generation (MT)</b>			
Total Cost & Average Rate		Nil	Nil

**II. Consumption per unit of production**

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

**B. Technology absorption and Research & Development****i) Technology Absorption**

- (a) The Company neither entered in to any technical foreign collaboration nor received imported any technology from any foreign organization.
- (b) Product improvements have and will continue to result in improved productivity and cost reduction and this will result in improving the profitability of the Company
- (c) Process improvements in existing products resulted in better productivity, efficiency and quality.

**ii) Research and Development (R&D)**

- (a) Specific areas in which R&D carried out:
  - Improvement in the overall quality of Pesticides and Insecticides
  - Process development for manufacturing of molecules
  - New development work with specific objective commercializing products
- (b) Benefits derived as a result of the above R&D
  - Improvement in Product Quality
  - Energy Conservation
  - Development of Environmental friendly products
  - Process development work has resulted in cost and time reduction
- (c) Future Plan of Action
  - Development of new Products and Process
  - Several products are at various stages of development
- (d) Expenditure on R&D

Particulars	Amount (₹ in Lacs)
Capital	37.17
Recurring	71.01
<b>Total</b>	<b>108.18</b>
Total R&D Expenditure as a percentage of the Turnover	0.23

**C. Foreign Exchange Earning & Outgo**

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

Particulars	Amount (₹ in Lacs)
<b>Foreign Exchange Used</b>	
a) Raw Materials	6710.07
b) Machinery	57.03
c) Tour & Travelling	3.87
d) Royalty	83.11
e) Interest	18.91
<b>Total</b>	<b>6872.99</b>
<b>Foreign Exchange Earned</b>	
Export Sales	35.90

For and on behalf of the Board  
**INSECTICIDES (INDIA) LIMITED**

**(HARI CHAND AGGARWAL)**

Chairman

DIN-00577015

Place : Delhi

Date : May 30, 2011

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Agriculture in India has a long history dating back to ten thousand years. Indian agriculture began by 9000 BC as a result of early cultivation of plants, and domestication of crops and animals. Indian products soon reached the world via existing trading networks and foreign crops were introduced to India. Today, India ranks second in world farm output. According to World Bank, Indian Branch: Priorities for Agriculture and Rural Development”, one of the reasons of low productivity in India is adoption of modern agricultural practices and use of technology is inadequate.

The agricultural production is notable to cope up with the increasing, demand for food due population explosion. This gap can be narrowed by shortening the difference between potential production and actual production with use of efficient and innovative technology to enhance per hectare productivity of agricultural land.

Here the role of agrochemical industry becomes pivotal in reducing damage to the limited crops and in increasing the yield. Despite of the industry growth of about 12 %, your company has been growing at a rate of about 34 %. Estimated at about 10000 Cr., the Indian agrochemical industry is ranked second in Asia (behind China) and twelfth globally. Compared to other countries, per capita consumption of agrochemicals in India is the lowest at 0.6 kg/ha and can be attributed to - Fragmented land holdings, low level of irrigation, dependence on monsoons and low awareness among farmers about the benefits of using agro chemicals which makes the future prospects of the agrochemical industry look more promising on account of the increasing need

to protect farm produce from pests, higher farmer affordability / profitability and lucrative farm produce prices.

### OPPORTUNITIES AND OUTLOOK

Overall structure of agriculture in India has changed since last few years; Government has started various initiatives to increase the interest in farming. Various financing schemes, educational programmes, subsidies on the irrigation systems and modern agri implants etc. A phenomenal increase in the Minimum Support Price has also helped the sentiments of the farming communities. All agricultural initiatives are being directed towards Eastern Indian for the next wave of growth in agricultural productivity. With government programmes focusing on increasing the production of cereals and flowers, encouraging the farmers to take three crops in the year by crop rotation.

These all factors have opened up new avenues for the farmers rather than going for the traditional crops of Paddy and Wheat. Pulses and Oilseeds are pegged to be the future focus crops.

Change in consumer taste and expectations, environmental and social influences, renewed government focus are influencing the agriculture industry by large. 2010-2020 is expected to be the Golden period for agriculture and agrochemical industry in India.

### RISKS, CONCERNS AND THREATS

With increasing trends of GM seeds which started with cotton and now extending its feet to other crops also, are resistant to some sucking pests. But as the use of GM seeds have increased, has given way to some other products i.e. Herbicides and PGRs.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

#### Comparison of various items between Financial Statements for Fiscal Year 2011 and Fiscal Year 2010

(₹ in Lacs)

Particulars	Standalone			
	FY 2011		FY 2010	
	₹	%	₹	%
Sales/Income from Operation	47461.32	99.28	39607.75	99.48
Sales (Export)	328.89	0.69	79.06	0.20
Other Income	15.25	0.03	128.53	0.32
Total Income	47805.45	100.00	39815.34	100.00
Decrease/(Increase) in Stock	(1641.97)	(3.43)	(1135.98)	(2.85)
Raw Material Consumed	27528.98	57.59	23639.18	59.37
Trading Purchases	1926.76	4.03	1728.95	4.34
Manufacturing Expenses	3854.60	8.06	3520.11	8.84
R&D Expenses	71.01	0.15	48.59	0.12
Employees Cost	1275.49	2.67	905.86	2.28
Other Expenditure	10269.49	21.48	7455.08	18.72

(₹ in Lacs)

Particulars	Standalone			
	FY 2011		FY 2010	
	₹	%	₹	%
Total Expenses	<b>43284.36</b>	<b>90.54</b>	36161.79	90.82
EBIDTA	<b>4521.10</b>	<b>9.46</b>	3653.55	9.18
Finance Charges	<b>242.03</b>	<b>0.51</b>	251.68	0.63
Depreciation	<b>152.96</b>	<b>0.32</b>	120.01	0.30
PBT	<b>4126.11</b>	<b>8.63</b>	3281.86	8.24
Taxation	<b>904.5</b>	-	460.17	358.03
Exceptional Item	-	-	-	0.00
PAT	<b>3221.61</b>	<b>6.74</b>	2821.69	7.09

### STANDALONE FINANCIAL PERFORMANCE

Total Turnover of the Company has stepped up from ₹ 39686.81 lacs in FY 2010 to ₹ 47790.21 lacs in FY 2011, thus is increase of 20% in the total turnover of the Company. Profit before Taxation increased from ₹ 3281.86 lacs during FY 2010 to ₹ 4126.11 lacs during FY 2011. Profit after Tax & Extraordinary Item for FY 2011 stood at ₹ 3221.61 lacs compared to ₹ 2821.69 lacs during FY 2010.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of business to ensure timely decision-making. Internal Audit is conducting by professionally qualified financial personnel, which conducts periodic audits/review to maintain a proper system of checks and control.

The management of information system (MIS) forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled. Any material change in the business outlook is reported to the Board. Material deviations from the annual planning and budgeting, if any, are reported to the Board on quarterly basis.

Cost savings and profit improvement ideas also form an important part of the responsibilities of the Internal Audit Department.

The Enterprise Risk Management framework and CEO and Manager (Accounts & Finance) certification as required under Clause 49 of the Listing Agreement with Stock Exchanges for controls testing pertaining to financial reporting, resulted in continuing improvement in internal control.

### HUMAN RESOURCES

The Company ensures to upgrade the skills and competence of its human resources. The safety, training, welfare and development of employees receive all possible attention and receive highest priority. Industrial relations continue to be cordial

and harmonious. The employee strength of the Company on March 31, 2011 was 499.

### RESEARCH & DEVELOPMENT

"Getting the latest technology products at the most reasonable prices" is the motto of our Research and Development Wing. We, at Insecticides (India) Limited (IIL) invest significantly in the research and development for higher quality agriculture production. At IIL, we approach each challenge armed with our knowledge of agri-science & motivated by our commitment to increase crop yield. Recently our R&D center has also bagged NABL accreditation. IIL's R&D Centre has made a breakthrough and invented a new process for MNIO, which is an import substitute for manufacturing Thiamethoxam. With the intention of taking this to commercial level, IIL's R&D has joined hands with NDRC for the commercialization. This project will be funded up to about 40 % by NDRC along with getting the technical guidance of NDRC (National Research Development Corporation). It has also been applied for the Patent, for safe guarding the interest and efforts made by the Company.

### ENVIRONMENT, HEALTH & SAFETY (EHS)

The Company has a environmental policy for implementing an Environmental Management System (EMS) for meeting the content & purpose of organization's Environmental Policy & Objectives which take into account legal requirements and other requirements to which the organization subscribes and information about significant environmental aspects. It aims at use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts.

Occupational Health & Safety Describes the Occupational Health & Safety Management System adopted by the Company, the elements of the OHSAS 18001:1999 Amendment 1:2002 standard and measures stipulated for ensuring the conformance to the Occupational Health & Safety Management System, legal & statutory requirements, continual improvement and satisfaction of interested parties (i.e. Customers, Suppliers, Employees and

Public).

### **CORPORATE SUSTAINABILITY**

As a part of CSR, the Company had started a social welfare programme "Aglā Kadam" in Punjab and Rajasthan five years ago, where it has adopted villages to offer people the basic needs of life healthcare, education, women empowerment. It is undertaking various activities for them such as providing books and study material to children, giving scholarships and aid for schools, providing vocational education like stitching, embroidery etc. to girls and ladies for self-employment, providing technical education to farmers about new and latest technologies etc to increase their yield and improve their income.

This year, your company has adopted two more schools in Punjab and assured to take care for the study material of the students therein. Your Company also started the Victor Scholarship Scheme for the children who are outstanding.

Identifying the need of information among farmers for their upliftment, your company had also started a farmer awareness

initiative "JAGRUKTA ABHIYAN", four years ago, where a team of agri experts is deputed to train and help the farmers for better agricultural practices. This campaign was very well accepted by the farmers all across the country. This campaign is now running in mostly all the states.

### **CAUTIONARY STATEMENT**

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

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

**(HARI CHAND AGGARWAL)**

*Chairman*

DIN-00577015

Place : Delhi

Date : May 30, 2011

## CORPORATE GOVERNANCE REPORT

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

The Company adopts and adheres to the best recognized corporate governance practices and continuously strives to better them. The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:

### COMPANY'S PHILOSOPHY

Insecticides (India) Limited (IIL) is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices stem from an inherent desire to improve and innovate and reflect the culture of trusteeship that is deeply ingrained in our value system and form part of the strategic thought process. Our Governance Philosophy rests on five basic tenets, viz, Board accountability to the Company and Shareholders, strategic guidelines and effective monitoring by the Board, protection of minority interest and rights, equitable treatment of all shareholders as well as transparency and timely disclosure.

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

### I. BOARD OF DIRECTORS

#### (A) Composition of Board

As on March 31, 2011, Board of the Company comprises of 8 (Eight) Directors, of which 3 (Three) are Executive Directors and rest 5 (Five) are Independent/Non-executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement and category wise details as follows:

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

There is no nominee director, appointed by any Financial Institution/Bank on the Board. Independent/Non-executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2010-11 which may affect their judgments in any manner. As on March 31, 2011, the composition of the Board of Directors was as under:

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

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

**(C) Independent/Non-executive Directors' disclosures**

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

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

**(D) Meetings and Attendance of the Board**

During the financial year 2010-11, 6 (Six) Board Meetings were held. The dates on which the said meetings were held are as follows:

Month	Date
April	April 24, 2010
May	May 25, 2010
July	July 14, 2010
August	August 10, 2010
November	November 11, 2010
February	February 5, 2011

The Last Annual General Meeting of your Company was held on August 23, 2010.

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

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

S. No.	Members	No. of Board Meetings Attended	AGM held on August 23, 2010 Attended
1	Mr. Hari Chand Aggarwal	6	Yes
2	Mr. Rajesh Aggarwal	6	Yes
3	Mr. Sanjeev Bansal	3	Yes
4	Mr. Rajender Pershad Gupta	5	None
5	Mr. Navneet Goel	6	Yes
6	Mr. Gopal Chandra Agarwal	6	Yes
7	Mr. Navin Shah	5	Yes
8	Mr. Anil Kumar Singh	6	Yes

**(E) Information supplied to the Board**

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

**(F) Compliance**

The Company Secretary, while preparing the agenda, notes on agenda, minutes, etc of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued thereunder and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

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

**(G) Code of Conduct**

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Independent/Non-executive Directors have been sent to all the Directors and Senior Management Personnel. The Code of Conduct is available on the Company's website [www.insecticidesindia.com](http://www.insecticidesindia.com) and copy of the Code of Conduct can be inspected at the Registered Office of the Company during the business hours.

(ii) All the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as applicable to them during the year ended on March 31, 2011. The Annual Report of the Company contains certificate duly signed by the Managing Director.

**(H) Relationship among the Directors**

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

**(I) Insider Trading Policy**

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

**II. Audit Committee**

The Board has established an Audit Committee.

**(A) Qualified and Independent Audit Committee**

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

- i) The Audit Committee consists of the three directors as members and all of them are independent directors.
- ii) All members of the committee are financially literate and present Chairman Mr. Navneet Goel is having the requisite financial management expertise.
- iii) The Chairman of the Audit Committee is an independent director.
- iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 23, 2010.
- v) The Statutory Auditors including his representatives and such other person and official of the Company are invited to attend the Audit Committee Meetings as and when required.
- vi) The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

**(B) Meeting of the Audit Committee**

During the year under review, the Audit Committee was reconstituted from time to time. During the last financial year, the Audit Committee met 5 (Five) times: April 24, 2010, May 25, 2010, August 10, 2010, November 11, 2010 and February 5, 2011. The Audit Committee Meetings were held at the Registered Office/Works Office of the Company. The proper quorum was present in all the Audit Committee Meetings held during the year.

The composition of the Audit Committee and Number of Meetings attended by the Members are given below:

Name of Member	Composition of the Audit Committee	Number of Meetings Attended
Mr. Navneet Goel	Chairman	5
Mr. Rajender Pershad Gupta	Member	4
Mr. Gopal Chandra Agarwal	Member	5

**(C) Powers of Audit Committee**

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

**(D) Role of Audit Committee**

The role of the Audit Committee includes the following:

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

**(E) Review of information by Audit Committee**

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

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

**III. Subsidiary Companies**

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

**IV. Remuneration Committee**

Presently, the Remuneration Committee comprises of three members Mr. Navneet Goel was the Chairman of the Remuneration Committee and Mr. Rajender Pershad Gupta and Mr. Gopal Chandra Agarwal were other members, all of them being Independent & Non-executive Directors. During the year, the Remuneration Committee has met on February 5, 2011 for review and approve for increasing the remuneration of Chairman, Managing Director and Whole-time Director for the remainder of their tenure and increasing the sitting fees of Independent/Non-executive Directors.

The Committee is responsible for considering and approving the remuneration and commission of the Managing/Executive Directors and recommending the sitting fees and commission payable, if any, to the Non-executive Directors.

**V. Investors Grievance/Transfer Committee**

Presently, the Investors Grievance/Transfer Committee comprises of three members Mr. Navneet Goel was the Chairman of the Investors Grievance/Transfer Committee and Mr. Rajender Pershad Gupta and Mr. Gopal Chandra Agarwal were other members, all of them being Independent & Non-executive Directors.

During the year under review, the committee met 8 (Eight) times to review the investors' services rendered. Members were present at the Meeting. The Company Secretary (who is also the Compliance Officer) was also present.

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

During the year under review, 21(Twenty One) complaints were received, all of which were responded to/resolved and details of complaints are as follows:

S. No.	Nature of Complaints	Received	Resolved	Pending
1	Non-receipt of Dividend Warrants in respect of Shares	6	6	Nil
2	Non-receipt of Annual Report	15	15	Nil
	<b>Total</b>	<b>21</b>	<b>21</b>	<b>Nil</b>

**VI. Disclosures**
**(A) Basis of related party transactions**

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

**(B) Disclosure of Accounting Treatment**

There has not been any change in accounting policies of the Company, during the year except as stated in Note No. 16 of Notes to Accounts to forming part of Annual Financial Statements for the year ended on March 31, 2011.

**(C) Risk Management**

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

**(D) Remuneration of Directors**

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

- Remuneration and Sitting Fees paid/payable to the Directors during the year 2010-11:

S.No.	Name of Directors	Salary & Perquisites (₹ In Lacs)	Sitting Fees (₹ In Lacs)	Total (₹ In Lacs)
1	Mr. Hari Chand Aggarwal	25.07	-	25.07
2	Mr. Rajesh Aggarwal	25.07	-	25.07
3	Mr. Sanjeev Bansal	5.47	-	5.47
4	Mr. Rajender Pershad Gupta	-	0.50	0.50
5	Mr. Navneet Goel	-	0.70	0.70
6	Mr. Gopal Chandra Agarwal	-	0.70	0.70
7	Mr. Navin Shah	-	0.60	0.60
8	Mr. Anil Kumar Singh	-	0.70	0.70

**Notes:** Salary and Perquisites include all elements of remuneration i.e. salary, allowances, incentive and benefits. The Company has not issued any stock options to any of the directors. The term of executive directors does not exceed five years.

#### (E) Whistle Blower Policy

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

#### (F) Compliances

##### i) Mandatory Requirements

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

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
<b>I Board of Directors</b>	49 I		
(A) Composition of Board	49(IA)	Yes	
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	Yes	
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	(49 (ID)	Yes	
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee		Yes	
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	No	The Subsidiary Company has been amalgamated with its parent company under order passed by the Hon'ble Delhi High Court, New Delhi dated on January 19, 2010
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of Related Party Transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (IV D)	N.A	The Company was not any further issue of shares
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
<b>V. CEO/CFO Certification</b>	49 (V)	Yes	
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	
<b>VII. Compliance</b>	49 (VII)	Yes	

**ii) Non-mandatory Requirements**

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

**(G) Management**
**i) Management Discussion and Analysis**

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

**ii) Warning against Insider Trading**

Comprehensive guidelines in accordance with SEBI regulations are in place. The Code of Conduct and Corporate Disclosure Practices framed by the Company have helped in Ensuring Compliance with the requirements.

**(H) Other Information**
**i) CEO and Manager (Accounts & Finance) Certification**

The Managing Director (CEO) and Manager (Accounts & Finance) have certified to the Board of Directors of the Company that:

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

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

**GENERAL BODY MEETINGS**

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

Year	Type	Date	Venue	Time
2008	AGM	August 14, 2008	Shalimar Palace, Main Road, Burari, Delhi - 110 084	9.30 A.M.
2009	AGM	August 12, 2009	M.P.C.U. Shah Auditorium, Civil Lines, Delhi - 110 054	11.00 A.M.
2010	AGM	August 23, 2010	M.P.C.U. Shah Auditorium, Civil Lines, Delhi - 110 054	11.30 A.M.

The special resolution was not passed in the Annual General Meeting 2008 & 2009 respectively and resolution was passed in the Annual General Meeting 2010.

**Postal Ballot**

During the year, the Company had conducted voting through Postal Ballot on August 23, 2010. The Company complied with the procedures for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballots) Rules, 2001 and the amendments thereto. M/s CP Associates, Company Secretaries acted as scrutinizer for postal ballot and the results of the same were announced on August 23, 2010 and voting pattern for the resolutions was as under:

S. No.	Item	Votes Cast	
		For	Against
1	Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for increase in borrowing powers of Board upto ₹ 100 Crore	6430789	200
2	Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 authorizing the Board of Directors to mortgage, hypothecation and/or charge any of its movable and/or immovable properties or the whole or substantially the whole of any undertaking or undertakings of the Company	6430769	Nil

Thus, all the resolutions were passed with overwhelming majority.

### Procedure for voting by Postal Ballot

The Postal Ballot Forms and the draft Resolution(s) along with the Explanatory Statement pertaining the said Resolution(s) explaining in detail the material facts and the self-addressed, postage prepaid envelope, are sent to all members, under Certificate of Posting. The members are required to carefully read the instructions printed in the Postal Ballot Form, give their assent or dissent on the resolution(s) at the end of the Form and Sign the same as per the specimen signatures available with the Company or Depository Participant, as the case may be, and return the form duly completed in the attached self-addressed postage prepaid envelope so as to reach the scrutinizer before the close of working hours of the last date fixed for the purpose. Postal Ballot Forms received after this date are strictly treated as if the form has not received from the members.

The scrutinizer appointed for the purpose scrutinizes the postal ballots received and submit his report to the Company.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders as on date of dispatch of the postal ballot notice. A resolution is deemed to have been passed, if votes cast in favour are more than the votes cast against.

### Means of Communication

- (i) Website: The Company's official news and other important investor related information are periodically displayed and updated on the company's website; viz. [www.insecticidesindia.com](http://www.insecticidesindia.com)
- (ii) Presentation made to institutional investors or to the analysts: Not Applicable.

### Details of capital market non-compliance, if any

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

### Communication to shareholders

Quarterly, half-yearly and annual financial results have been published in numerous leading dailies, such as Business Standard (English), Business Standard (Hindi), The Financial Express (English), Jansatta (Hindi) and other magazines related capital markets along with the official press release.

### Report on Corporate Governance

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

### Auditors' Certificate on Corporate Governance

The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement. This Certificate is attached with the Annual Report and will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

## GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

- (i) **Date, Time and Venue** : Friday, August 26, 2011  
12.30 P.M., M. P. C. U. Shah Auditorium, Civil Lines, Delhi - 110 054
- (ii) **Financial Year** : April 01, 2010 to March 31, 2011
- (iii) **Financial Calendar 2011-12**
  - Un-audited first quarter financial results : Second week of August, 2011
  - Un-audited second quarter financial results : Second week of November, 2011
  - Un-audited third quarter Financial results : Second week of February, 2012
  - Audited annual results : Last week of May, 2012
  - Annual General Meeting : August, 2012
- (iv) **Dividend** : The Board of Directors have proposed a dividend of ₹ 2.50/- (25%) per Equity Share for the financial year 2010-11, subject to approval by the shareholders in the ensuing Annual General Meeting.
- (v) **Date of Book Closure** : August 23, 2011 to August 26, 2011  
(Both days inclusive)
- (vi) **Payment of Dividend** : Dividend will be paid with in 30 days from the date of declaration through account payee/non-negotiable instruments or through the electronic clearing service (ECS), as notified by the SEBI through the Stock Exchanges.

- (vii) Listing of Equity Shares on Stock Exchanges and Payment of Listing Fee : **Bombay Stock Exchange Ltd. (BSE)**  
 P. J. Towers, Dalal Street,  
 Mumbai – 400 001
- : **The National Stock Exchange of India Ltd. (NSE)**  
 “Exchange Plaza” Bandra Kurla Complex, Bandra (E), Mumbai – 400 051  
 Annual Listing Fee for the year 2011-12, has been paid by the Company to BSE and NSE.  
 Annual Custodian Charges of Depository have also been paid to NSDL and CDSL.
- (viii) Stock Code : 532851–Bombay Stock Exchange Ltd.  
 INSECTICID– The National Stock Exchange of India Ltd.
- (ix) ISIN No. : INE 070I01018
- (x) Registrar and Share Transfer Agent : **Alankit Assignments Limited**  
 (Unit: Insecticides (India) Limited)  
 Alankit House, 2E/21, Jhandewalan Extension, New Delhi – 110 055  
 Tel No. (011) 4254 1234/2354 1234, Fax No. (011) 4254 1967  
 Email: [rta@alankit.com](mailto:rta@alankit.com)
- (xi) Share Transfer System : Shares lodged for transfer at the Registrar’s address are normally processed and approved by Investors Grievance/Transfer Committee as and when required.
- (xii) Dematerialisation and Re-materialisation of Shares : During the year under review, 14 shares were re-materialised.

(xiii) Share held in physical and electronic mode as on March 31, 2011

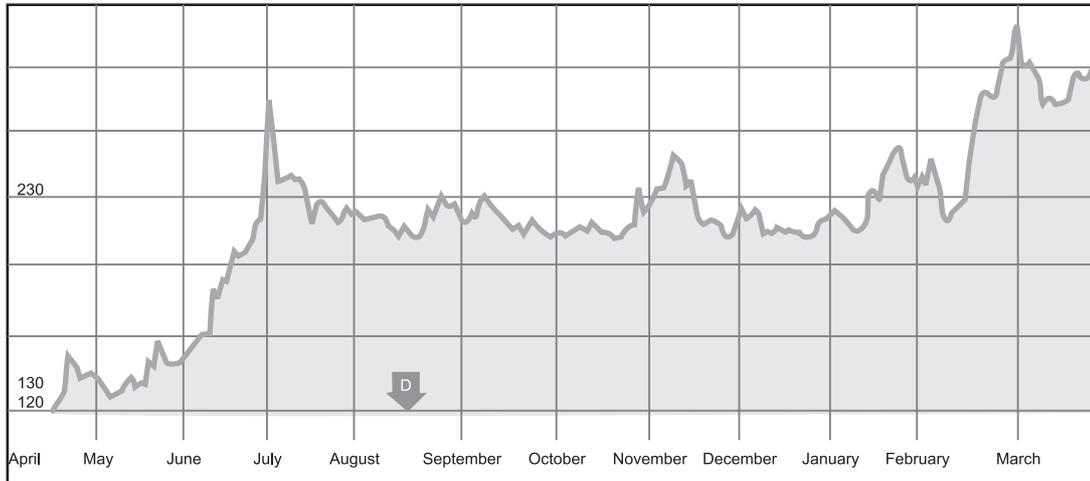
Particulars	No. of Shares	% to Total Shareholding
<b>Physical</b>	457	0.01
<b>Demat</b>		
NSDL	12087785	95.30
CDSL	594724	04.69
<b>Sub-total</b>	<b>12682509</b>	<b>99.99</b>
<b>Total</b>	<b>12682966</b>	<b>100.00</b>

(xiv) Stock Market Data & Share Price Performance in comparison to board based indic  
 The Company (IIL) vs BSE & NSE

Month	BSE		NSE	
	High	Low	High	Low
<b>2010</b>				
April	152.00	118.50	152.50	115.70
May	167.00	125.10	167.90	124.60
June	287.10	144.50	287.00	144.55
July	253.45	211.00	253.40	210.45
August	243.50	202.00	243.40	202.05
September	236.00	209.00	236.50	209.05
October	250.60	207.35	250.00	208.25
November	262.90	209.15	262.40	202.20
December	230.00	208.05	230.80	209.10
<b>2011</b>				
January	264.85	211.05	263.40	211.20
February	298.00	211.15	297.00	211.00
March	346.40	274.20	347.00	270.55

(Source: BSE & NSE website)

Stock Trends during the year (At a Glance)

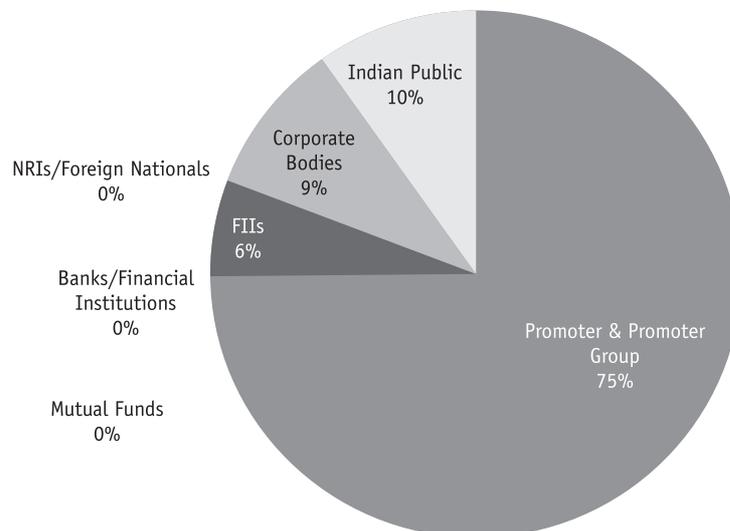


— BSE —

(xv) Distribution of Shareholdings  
Share Ownership Pattern as on March 31, 2011

Category	No. of Shares Held	% of Shareholding
Promoter and Promoter Group	9472700	74.69
Mutual Funds	Nil	Nil
Banks / Financial Institutions	2000	0.02
FII's	764746	6.03
NRI's / Foreign Nationals	31618	0.25
Corporate Bodies	1178145	9.29
Indian Public	1233757	9.73
<b>TOTAL</b>	<b>12682966</b>	<b>100.00</b>

Shareholding Pattern as on March 31, 2011



**Promoters Shareholding as on March 31, 2011**

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

**Top Ten (10) Public Shareholding as on March 31, 2011**

Name of Shareholder	No. of Shares Held	% to Total Shareholding
Globe Capital Market Limited	468500	3.69
Acacia Partners, LP	349730	2.70
Acacia Institutional Partners, LP	157114	1.24
Acacia Conservation Fund, LP	133000	1.05
Kinetic Capital Services Limited	109967	0.87
Fiducian India Fund	66900	0.53
Blink Investments Private Limited	57641	0.45
Mithun Securities Private Limited	54000	0.43
Competent Finman Private Limited	53219	0.42
Nitin Kapil Tandon	53000	0.42

**Sharholding Pattern by Size**

Category (No. of Shares)	Holders	Shares Held	% age
1 – 100	4514	179942	1.42
101 – 500	1538	392999	3.10
501 – 1000	276	209763	1.65
1001 – 5000	161	357900	2.82
5001 – 10000	24	166969	1.32
10001 – 20000	12	186984	1.47
20001 – 30000	3	70000	0.55
30001 – 40000	3	105638	0.83
40001 – 50000	1	44000	0.35
50001 – 100000	6	359760	2.84
100001 – 500000	6	1381011	10.89
500001 – Above	7	9228000	72.76
<b>Total</b>	<b>6551</b>	<b>12682966</b>	<b>100.00</b>

**(xvi) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity**

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

**(xvii) Reconciliation of Share Capital Audit**

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

**(xviii) Compliance Audit**

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

**(xix) Plant Locations**

Presently, Your Company is a manufacturing unit and having 5 (Five) Plants located at the following places:

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

**(xx) Address for Correspondence**

Investors and Shareholders can correspond with the registered office of the Company at the following address:

**The Company Secretary & Compliance Officer**

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

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## DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, Rajesh Aggarwal, Managing Director & CEO of Insecticides (India) Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended on March 31, 2011 compliance with the Code of Conduct of the Company laid down for them.

Place : Delhi  
 Date : May 30, 2011

**(RAJESH AGGARWAL)**  
 Managing Director & CEO  
 (DIN-00576872)



## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

TO THE MEMBERS OF  
**Insecticides (India) Limited**  
401 – 402, Lusa Tower,  
Azadpur Commercial Complex,  
Delhi – 110 033

We have examined the compliance of conditions of Corporate Governance by **Insecticides (India) Limited**, for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause, it is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Place : Delhi  
Date : May 30, 2011

**MOHIT A. PAREKH**  
Proprietor  
M.No.-81069  
Firm Regn. No. - 002067N

## AUDITORS' REPORT

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

We have audited the attached Balance Sheet of INSECTICIDES (INDIA) LIMITED as at March 31, 2011 and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books ;

- c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
- d) In our opinion, the Balance Sheet, Profit & Loss Account & Cash Flow Statement comply with accounting standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956 ;
- e) On the basis of written representations received from the directors of the Company, as on March 31, 2011 and taken on records by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and explanations given to us, the said accounts read together with Significant Accounting Policies and Notes to Accounts give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) In so far as relates to the Balance sheet, of the state of affairs of the Company as at March 31, 2011 ;
  - ii) In so far as relates to the Profit and Loss Account, of the PROFIT for the year ended on March 31, 2011; and
  - iii) In so far as relates to the Cash Flow Statement, of the Cash Flows for the year ended on March 31, 2011.

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

Place : Delhi  
 Date : May 30, 2011

**MOHIT A. PAREKH**  
 M.No.- 81069  
 Firm Regn. No. - 002067N

**ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF INSECTICIDES (INDIA) LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011.**

**1. In respect of its Fixed Assets:**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the Fixed Assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.

**2. In respect of its Inventories:**

- a. As explained to us, the inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. (a) The Company has not obtained any Secured / Unsecured Loans from the Companies, Firm(s) or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- (b) The Company has not granted Loans any Secured or Unsecured to the Companies, Firm (s) or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, no major weaknesses have been noticed in internal controls system.

**5. In respect of transactions covered under Section 301 of the Companies Act, 1956:**

- a. In our opinion and according to the information and explanations given to us, the transactions made in

pursuance of contracts or arrangements, that needed to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered.

- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which appear reasonable as per the information available with the Company.

6. The Company has not accepted any deposits from the public during the year under audit within the meaning of Section 58A and Section 58AA of the Companies Act, 1956. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.

7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, coverage of internal audit function carried out by a firm of chartered accountants appointed by the management as well as Company's internal audit department is commensurate with the size of the Company and nature of its business.

8. We have been informed that the Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956. We have test checked / reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained.

**9. In respect of Statutory Dues:**

- a. According to the records of the Company apart from certain instances of delay in depositing the undisputed statutory dues, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, the Investor Education & Protection Fund is not applicable to the Company during the year under consideration.

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2011 for a period of more than six months from the date of becoming payable.

- c. According to the records of the Company, the disputed statutory dues aggregating to ₹ 237.38 lacs that have not been deposited on account of disputed matter pending before Appropriate Authorities are as under:

S. No.	Name of the Statute	Nature of Dues	Period to which it relates	Forum where dispute is pending	Amount (₹ In Lacs)
1	Central Excise Act, 1944	Excise Duty	Mar 02 to Oct 02	Appellate Tribunal - New Delhi	75.67
2	Central Excise Act, 1944	Excise Duty	Sep 02 to Aug 02	Appellate Tribunal - New Delhi	161.72

10. The Company neither has accumulated losses at the end of the financial year, nor incurred cash losses during the current and also in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the explanations given to us and based on the information available, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit Fund/Society. Therefore the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments during the year.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the company were prima facie applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for Long Term investment and similarly no funds raised on Long-Term basis that have been used to finance Short-Term assets except core working capital.
18. During the year, the Company has not made any preferential allotment of shares to parties, firms and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during the year.
20. The Company has not raised money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

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

Place : Delhi  
Date : May 30, 2011

**MOHIT A. PAREKH**  
Proprietor  
M.No.- 81069  
Firm Regn. No. - 002067N

**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedule No.	Figures As At March 31, 2011 (₹ In Lacs)	Total	Figures As At March 31, 2010 (₹ In Lacs)	Total
<b>I. SOURCES OF FUNDS</b>					
<b>1. Shareholder's Funds</b>					
a) Share Capital	1	<b>1268.30</b>		1,268.30	
b) Reserves & Surplus	2	<b>14206.31</b>	<b>15,474.61</b>	<b>11,353.22</b>	12,621.52
<b>2. Loan Funds</b>					
a) Secured Loans	3	<b>3804.22</b>		2,179.53	
b) Unsecured Loans	4	-	<b>3,804.22</b>	10.22	2,189.75
<b>3. Deferred Tax Liability</b>					
			<b>204.92</b>		168.11
<b>TOTAL</b>			<b>19,483.75</b>	<b>14,979.38</b>	
<b>II. APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
Gross Block	5	<b>3649.64</b>		2,921.67	
Less: Depreciation		<b>507.98</b>		371.07	
Net Block		<b>3141.66</b>		2,550.60	
Capital Work In Progress		<b>5921.16</b>	<b>9,062.82</b>	708.41	3,259.01
<b>2. Investments</b>					
	6		<b>5.21</b>		499.62
<b>3. Current Assets, Loans &amp; Advances</b>					
a) Inventories	7	<b>12,577.16</b>		11,808.35	
b) Sundry Debtors	8	<b>8,061.83</b>		6,340.59	
c) Cash & Bank Balances	9	<b>368.57</b>		867.23	
d) Other Current Assets	10	<b>2,477.51</b>		2,461.90	
e) Loans & Advances	11	<b>1,445.06</b>		1,126.18	
		<b>24,930.13</b>		22,604.25	
<b>Less : Current Liabilities &amp; Provisions</b>					
a) Current Liabilities	12	<b>13,199.83</b>		10,509.65	
b) Provisions	13	<b>1,663.76</b>		1,235.62	
		<b>14,863.59</b>		11,745.27	
<b>NET CURRENT ASSETS</b>			<b>10,066.54</b>		10,858.98
<b>4. Miscellaneous Expenditure</b>					
(To the extent not written off or adjusted)	14		<b>349.18</b>		361.77
<b>TOTAL</b>			<b>19,483.75</b>	<b>14,979.38</b>	
<b>Notes on Accounts &amp; Significant Accounting Policies</b>					
	24				

The Schedules referred to above form an integral part of these Accounts.

**Auditors Report**

As per our separate report of even date appended herewith.

For **MOHIT PAREKH & COMPANY**  
Chartered Accountants

**(MOHIT A PAREKH)**

Proprietor  
M.No.-81069  
Firm Regn. No. -002067N

Place : Delhi

Date : May 30, 2011

FOR AND ON BEHALF OF THE BOARD

**HARI CHAND AGGARWAL**  
Chairman (DIN-00577015)

**SANJEEV BANSAL**  
Whole-time Director  
(DIN-01102006)

**RAJESH AGGARWAL**  
Managing Director (DIN-00576872)

**PANKAJ GUPTA**  
Company Secretary

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

	Schedule No.	For the year Ended March 31, 2011 (₹ In Lacs)	For the year Ended March 31, 2010 (₹ In Lacs)
<b>INCOME</b>			
Sales	15	47,790.21	39,686.81
Interest Income	16	2.93	84.55
Miscellaneous Income	17	12.32	43.98
Increase/ (Decrease) in Stocks	18	1,641.97	1,135.98
<b>TOTAL (A)</b>		<b>49,447.43</b>	<b>40,951.32</b>
<b>EXPENDITURE</b>			
Cost of Traded Goods Purchased		1,926.76	1,728.95
Excise Duty (Net)		2,780.46	1,951.06
Research & Development Expenses		71.01	48.59
Raw Material Consumed/Sold	19	27,528.98	23,639.18
Manufacturing Expenses	20	4,090.96	3,696.61
Selling & Distribution Expenses	21	7,171.65	5,216.98
Administrative & General Expenses	22	1,332.59	978.68
Financial Charges Incurred/ (Recovered)	23	242.03	251.68
Profit / (Loss) on Sale of Fixed Assets		11.32	24.24
Depreciation	5	152.96	120.01
Preliminary Expenses Written Off	14	12.60	13.48
<b>TOTAL (B)</b>		<b>45,321.32</b>	<b>37,669.46</b>
<b>Profit Before Tax</b>		<b>4,126.11</b>	<b>3,281.86</b>
<b>Less : Provision for Taxation</b>			
1. Current Tax		860.00	434.00
2. Deferred Tax		36.81	27.52
3. Wealth Tax		1.25	-
4. Short Provision of Income Tax, FBT & TDS in earlier years		4.38	-
5. Wealth Tax paid of earlier years		2.06	-
Add: Excess Provision of FBT in earlier year - Written Back		-	1.35
<b>Profit After Tax</b>		<b>3,221.61</b>	<b>2,821.69</b>
Add: Balance brought forward from previous year		7,295.25	4,961.75
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>10,516.86</b>	<b>7,783.44</b>
Transferred to General Reserve		322.16	211.63
Amount transferred from Subsidiary Company on Merger		-	19.23
<b>Proposed Dividend</b>			
— Equity Shares		317.08	253.66
— Tax on Proposed Dividend		51.44	42.13
Balance Transferred to Reserves & Surplus		<b>9,826.18</b>	<b>7,295.25</b>
<b>Earning Per Share (Basic and Diluted) - (In ₹)</b>		<b>25.40</b>	<b>22.25</b>
<b>Notes on Accounts &amp; Significant Accounting Policies</b>	<b>24</b>		

The Schedules referred to above form an integral part of these Accounts.

### Auditors Report

As per our separate report of even date appended herewith.

For **MOHIT PAREKH & COMPANY**  
Chartered Accountants

**(MOHIT A PAREKH)**  
Proprietor  
M.No.-81069  
Firm Regn. No. -002067N  
Place : Delhi  
Date : May 30, 2011

FOR AND ON BEHALF OF THE BOARD

**HARI CHAND AGGARWAL**  
Chairman (DIN-00577015)

**SANJEEV BANSAL**  
Whole-time Director  
(DIN-01102006)

**RAJESH AGGARWAL**  
Managing Director (DIN-00576872)

**PANKAJ GUPTA**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2011**

	CURRENT YEAR (₹ In Lacs)	PREVIOUS YEAR (₹ In Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES &amp; EXTRA ORDINARY ITEMS</b>		
<b>Net Profit before Tax</b>	<b>4,126.11</b>	3,281.86
<b>Add</b>		
Depreciation	152.96	120.01
Preliminary Expenses Written Off	12.60	13.48
Loss on Sale of Fixed Assets	11.32	24.24
Interest & Financial Charges	242.03	251.68
<b>Deduct</b>		
Interest Income	(2.93)	(84.55)
Other Income	(12.32)	(43.98)
	<b>403.66</b>	280.88
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,529.77</b>	3,562.74
Add/(Less) : Increase/Decrease in Working Capital		
(Increase)/Decrease in Trade Receivables	(1,510.76)	(3,025.10)
(Increase)/Decrease in Inventories	(768.81)	(2,174.81)
(Increase)/Decrease in Other Current Assets	(15.61)	(1,220.67)
Increase/(Decrease) in Sundry Creditors	2,235.50	3,131.77
Increase/(Decrease) in Other Current Liabilities	454.67	(114.34)
	<b>394.99</b>	(3403.16)
<b>Adjustments for :</b>		
Interest & Financial Charges Paid	(242.03)	(251.68)
Direct Tax Paid (Including Wealth Tax)	(1,041.63)	(360.53)
Preliminary Expenses Incurred	—	(3.20)
Net Cash Effected Due To Merger	—	11.48
<b>Net Cash from /(used in) Operating Activities</b>	<b>3,641.10</b>	<b>(444.34)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets	(5,988.17)	(899.58)
Proceeds from Sale of Fixed Assets	20.08	24.64
Interest Income	2.93	84.55
Other Income	12.32	43.98
Maturity of Investment in Shares / Units etc.	494.40	1,217.62
<b>Net Cash from /(used in) Investing Activities</b>	<b>(5,458.44)</b>	471.22

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Issue of Share Capital	—		—	
Increase/(Decrease) in Secured Loans	<b>1624.69</b>		808.87	
Increase/(Decrease) in Unsecured Loans	<b>(10.22)</b>	<b>1,614.47</b>	1.10	809.97
Dividend Paid / Payable		<b>(253.66)</b>		(253.66)
Distribution Tax Paid / Payable		<b>(42.13)</b>		(43.11)
<b>Net Cash from /(used in) Financing Activities</b>		<b>1,318.68</b>		513.20
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C)</b>		<b>(498.66)</b>		540.08
Cash & Cash Equivalents at the beginning of the year (Opening Balance)		<b>867.23</b>		327.15
Cash & Cash Equivalents at the end of the year (Closing Balance)		<b>368.57</b>		867.23
		<b>(498.66)</b>		540.08

**NOTES:-**

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

This is a Cash Flow Statement referred to in our report of even date

FOR AND ON BEHALF OF THE BOARD

For **MOHIT PAREKH & COMPANY**  
Chartered Accountants

**(MOHIT A PAREKH)**  
Proprietor  
M.No.-81069  
Firm Regn. No. -002067N

Place : Delhi  
Date : May 30, 2011

**HARI CHAND AGGARWAL**  
Chairman (DIN-00577015)

**SANJEEV BANSAL**  
Whole-time Director  
(DIN-01102006)

**RAJESH AGGARWAL**  
Managing Director (DIN-00576872)

**PANKAJ GUPTA**  
Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET**

	Figures As At March 31, 2011 (₹ In Lacs)	Figures As At March 31, 2010 (₹ In Lacs)
<b>SCHEDULE-1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
15000000 (Previous Year 15000000) Equity Shares of ₹ 10/- Each	<b>1,500.00</b>	1,500.00
<b>Issued, Subscribed &amp; Paid-up</b>		
12682966 (Previous Year 12682966) Equity Shares of ₹ 10/- Each (Out of the above shares 1550500 Equity Shares are allotted as fully paid up Bonus Shares)	<b>1,268.30</b>	1,268.30
<b>TOTAL</b>	<b>1,268.30</b>	1,268.30
<b>SCHEDULE-2 : RESERVES AND SURPLUS</b>		
<b>A. General Reserve</b>		
As per last Balance Sheet	<b>539.82</b>	328.19
Add: Transferred from Profit & Loss Account	<b>322.16</b>	211.63
	<b>861.98</b>	539.82
<b>B. Profit &amp; Loss Account</b>		
Transferred from Profit & Loss Account	<b>9,826.18</b>	7,295.25
<b>C. Share Premium Account</b>		
	<b>3,518.15</b>	<b>3,518.15</b>
<b>TOTAL (A+B+C)</b>	<b>14,206.31</b>	11,353.22
<b>SCHEDULE-3 : SECURED LOANS</b>		
<b>LOAN FROM BANKS</b>		
<b>A. Working Capital Loans</b>		
(Secured by way of hypothecation of Stocks of Raw Material, Stock in Process, Finished Goods, Stores & Spare Parts & Book Debts and first Pari Passu Charge over Plant & Machinery, Factory Land & Building and personal guarantee of the Directors - Sh. Hari Chand Aggarwal and Sh. Rajesh Aggarwal)	<b>3,333.95</b>	2,089.54
<b>B. Term Loans</b>		
(Secured by way of hypothecation of Plant & Machinery situated at Dahej (Gujarat) & Vehicles and personal guarantee of the Directors - Sh. Hari Chand Aggarwal & Sh. Rajesh Aggarwal)	<b>470.27</b>	89.99
<b>TOTAL</b>	<b>3,804.22</b>	2,179.53
<b>SCHEDULE-4 : UNSECURED LOANS</b>		
From Others/ Body Corporate(s)	-	10.22
<b>TOTAL</b>	-	10.22

(₹ In Lacs)

**SCHEDULE-5 : FIXED ASSETS AND DEPRECIATION ALLOWABLE**

S. No.	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Opening Balance on 01.04.2010	Addition	Sale/Adjustment	Total as on 31.03.2011	Opening Balance on 01.04.2010	For the period	Written Back	Total as on 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Freehold Land	593.88	20.93	-	614.81	-	-	-	-	614.81	593.88
2	Leasehold Land	-	395.82	-	395.82	-	-	-	-	395.82	-
3	Buildings	73.07	-	-	73.07	3.69	1.19	-	4.88	68.19	69.37
4	Factory Buildings	614.91	-	-	614.91	76.65	20.54	-	97.19	517.72	538.27
5	Plant & Machinery	918.96	35.37	-	954.33	139.56	44.30	-	183.86	770.47	779.40
6	Electrical Installations	81.93	1.64	-	83.57	15.17	3.92	-	19.09	64.48	66.76
7	Factory Equipments	-	0.53	-	0.53	-	0.03	-	0.03	0.50	-
8	Laboratory Equipments	59.64	33.74	-	93.38	8.67	3.80	-	12.47	80.91	50.97
9	Pollution Control Equipments	55.05	0.85	-	55.90	8.81	2.63	-	11.44	44.46	46.24
10	Generator	13.02	0.70	-	13.72	2.46	0.65	-	3.11	10.61	10.56
11	Telephone & Mobiles	5.07	2.01	0.92	6.16	0.67	0.27	0.09	0.85	5.31	4.39
12	Furniture & Fixtures	43.67	3.42	-	47.09	10.35	2.82	-	13.17	33.92	33.33
13	Office Equipments	55.44	3.17	0.05	58.56	9.33	2.79	0.01	12.11	46.45	46.11
14	Computers & Accessories	66.75	140.61	-	207.36	25.28	32.69	-	57.97	149.39	41.47
15	Website	0.77	-	-	0.77	0.15	0.04	-	0.19	0.58	0.62
16	Vehicles	316.46	135.87	46.47	405.86	62.68	36.17	15.96	82.89	322.97	253.78
17	Patent, Trade Mark & Designs	23.05	0.75	-	23.80	7.61	1.12	-	8.73	15.07	15.44
	<b>Total</b>	<b>2,921.67</b>	<b>775.41</b>	<b>47.44</b>	<b>3,649.64</b>	<b>371.08</b>	<b>152.96</b>	<b>16.06</b>	<b>507.98</b>	<b>3,141.66</b>	<b>2,550.59</b>
	Previous Year Figures	2,739.51	266.22	84.05	2,921.67	286.23	120.01	35.17	371.07	2,550.60	2528.32
	Capital Work in Progress									<b>5,921.16</b>	708.41

	Figures As At March 31, 2011 (₹ In Lacs)	Figures As At March 31, 2010 (₹ In Lacs)
<b>SCHEDULE-6 : INVESTMENTS</b>		
a. In Units of Mutual Funds (At Cost Including Interest) (Invested in Fixed Maturity & Dividend Plan) - Unquoted	-	499.62
b. In Fixed Deposits with PNB, New Delhi (Including Interest)	5.21	-
<b>TOTAL</b>	<b>5.21</b>	<b>499.62</b>
<b>SCHEDULE-7 : INVENTORIES</b>		
(As taken, valued & certified by the Management)		
Raw Material	3,575.31	4,899.31
Finished Goods (Manufactured)	6,015.29	5,580.52
Packing Material	789.21	341.72
Semi Finished Goods	1,303.48	540.64
Stores, Spares Parts & Fuel	3.34	-
Finished Goods (Traded)	890.53	446.16
<b>TOTAL</b>	<b>12,577.16</b>	<b>11,808.35</b>
<b>SCHEDULE-8 : SUNDRY DEBTORS</b>		
(UNSECURED AND CONSIDERED GOOD)		
(As certified and confirmed by the Management)		
a) Debts Outstanding for a period exceeding six months	634.16	297.88
b) Other Debts	7,427.67	6,042.71
<b>TOTAL</b>	<b>8,061.83</b>	<b>6,340.59</b>
<b>SCHEDULE-9 : CASH &amp; BANK BALANCES</b>		
Cash on Hand	30.64	37.14
Balance with Scheduled Banks		
In Current Accounts	337.93	830.09
<b>TOTAL</b>	<b>368.57</b>	<b>867.23</b>
<b>SCHEDULE-10 : OTHER CURRENT ASSETS</b>		
Prepaid Expenses	49.58	7.07
Creditors having Debit Balance	326.68	967.64
D.D. In Transit	-	18.08
Cheques In Hand	0.70	0.43
Interest Recoverable	62.26	-
Balances with Central Excise, VAT Authorities, etc.	2038.29	1468.68
<b>TOTAL</b>	<b>2,477.51</b>	<b>2,461.90</b>
<b>SCHEDULE-11 : LOANS &amp; ADVANCES</b>		
(UNSECURED BUT CONSIDERED GOOD UNLESS OTHERWISE STATED)		
Staff Advance/Travelling Advance	16.31	7.71
Other Advances/Securities	41.60	260.68
Advance Income Tax (Including Tax Deducted at Source & Refund Recoverable)	1,387.15	857.79
<b>TOTAL</b>	<b>1,445.06</b>	<b>1,126.18</b>

	Figures As At March 31, 2011 (₹ In Lacs)	Figures As At March 31, 2010 (₹ In Lacs)
<b>SCHEDULE-12 : CURRENT LIABILITIES</b>		
Sundry Creditors for Goods	9,840.41	7,604.90
Expenses Payable	308.18	183.76
Payable to Others	521.89	513.28
Debtors having Credit Balance	1,378.64	732.79
Advance from Customers	918.76	1,232.59
Cheques sent for Collection	60.86	93.03
Security from Customers	162.95	140.82
Unclaimed Dividend	2.37	1.90
Balance in PLA	-	0.03
Interest Recoverable (Subject to Acceptance of Debit Notes)	5.77	6.55
<b>TOTAL</b>	<b>13,199.83</b>	<b>10,509.65</b>

**SCHEDULE-13 : PROVISIONS**

Provision for Income Tax	1,294.00	900.21
Provision for Fringe Benefit Tax	-	39.62
Provision for Wealth Tax	1.25	-
Proposed Equity Dividend	317.07	253.66
Distribution Tax on Proposed Equity Dividend	51.44	42.13
<b>TOTAL</b>	<b>1,663.76</b>	<b>1,235.62</b>

**SCHEDULE-14 : MISCELLANEOUS EXPENDITURE**

Opening Balance	361.78	372.05
Add : Amount incurred for Merger	-	3.20
	<b>361.78</b>	<b>375.25</b>
Less: Written off during the year	12.60	13.48
<b>Balance Transferred to Balance Sheet (₹)</b>	<b>349.18</b>	<b>361.77</b>

	For the Year Ended on March 31, 2011 (₹ In Lacs)	For the Year Ended on March 31, 2010 (₹ In Lacs)
<b>SCHEDULE-15 : SALES</b>		
Sales (Domestic)	47,461.32	39,607.75
Sales (Export)	328.89	79.06
<b>TOTAL</b>	<b>47,790.21</b>	<b>39,686.81</b>
<b>SCHEDULE-16 : INTEREST INCOME</b>		
Interest on Investments with Mutual Funds	-	29.40
Interest on Fixed Deposits with Bank	2.93	55.15
[Tax Deducted At Source ₹ In Lacs 0.82 (P.Y.- ₹ In Lacs 8.87)]		
<b>TOTAL</b>	<b>2.93</b>	<b>84.55</b>
<b>SCHEDULE-17 : MISCELLANEOUS INCOME</b>		
Miscellaneous Income	3.84	0.53
Sale of Scrap	0.44	-
Service Charges	-	17.91
Prior Period Income	0.54	-
Profit on Sale of Investments	2.50	-
Dividend Income	5.00	25.54
<b>TOTAL</b>	<b>12.32</b>	<b>43.98</b>
<b>SCHEDULE-18 : INCREASE /(DECREASE) IN STOCK</b>		
<b>A. Increase/ (Decrease) in Closing Stocks of Finished (Goods Purchased for Trading Purposes)</b>		
Closing Stocks	890.52	446.16
Less: Opening Stocks	446.16	165.48
<b>Increase/(Decrease) in Closing Stock</b>	<b>444.36</b>	<b>280.68</b>
<b>B. Increase/(Decrease) in Closing Stocks of Finished &amp; Semi Finished Goods (Goods Produced)</b>		
Closing Stocks	7,318.77	6,121.16
Less: Opening Stocks	6,121.16	5,265.86
<b>Increase/(Decrease) in Closing Stock</b>	<b>1,197.61</b>	<b>855.30</b>
<b>TOTAL (A+B)</b>	<b>1,641.97</b>	<b>1,135.98</b>
<b>SCHEDULE-19 : RAW MATERIAL CONSUMED/SOLD</b>		
Opening Stock	4,899.31	3,890.47
Add : Purchases (Net)	26,204.98	24,648.02
Less : Closing Stock	3,575.31	4,899.31
<b>TOTAL</b>	<b>27,528.98</b>	<b>23,639.18</b>

	For the Year Ended on March 31, 2011 (₹ In Lacs)	For the Year Ended on March 31, 2010 (₹ In Lacs)
<b><u>SCHEDULE-20 : MANUFACTURING EXPENSES</u></b>		
Packing Material Consumed	3,008.98	2,675.64
Entry Tax / Toll Tax	24.29	18.82
Wages (Including Bonus & Leave Encashment)	196.44	153.97
Contribution to Gratuity, Provident Fund & ESI	39.92	22.53
Labour Welfare	20.37	16.84
Conveyance Expenses	7.12	8.11
Freight Inward	435.00	482.65
Laboratory Expenses	12.55	15.78
Power & Fuel Expenses	76.19	85.01
Job Work	63.07	52.03
Consumable Stores	142.43	95.68
Commission on Purchases	1.32	1.80
Pollution Control Expenses	24.36	19.41
Repairs & Maintenance (Machinery)	20.37	36.43
Repairs & Maintenance (Building)	8.77	3.90
Repair & Maintenance (Others)	9.78	8.01
<b>TOTAL</b>	<b>4,090.96</b>	<b>3,696.61</b>
<b><u>PACKING MATERIAL CONSUMED / PACKING EXPENSES INCURRED</u></b>		
Opening Stocks	341.71	311.73
Add: Purchases/ Expenses Incurred	3,456.48	2,705.63
Less: Closing Stocks	789.21	341.72
<b>TOTAL</b>	<b>3,008.98</b>	<b>2,675.64</b>
<b><u>SCHEDULE-21 : SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
Discounts & Rebates Allowed	4,513.24	3,050.11
Freight Outward	1,009.66	900.94
Business Promotion Expenses	833.83	540.82
Leakage Expenses	1.07	1.43
Tour & Travelling Expenses	319.20	230.78
Commission	311.59	307.39
Advertisement & Publicity Expenses	95.48	93.94
Royalty	83.11	86.21
Testing Charges	1.84	2.12
Demonstration	2.60	3.21
Tender Fee	0.03	0.03
<b>TOTAL</b>	<b>7,171.65</b>	<b>5,216.98</b>

	For the Year Ended on March 31, 2011 (₹ In Lacs)	For the Year Ended on March 31, 2010 (₹ In Lacs)
<b>SCHEDULE-22 : ADMINISTRATIVE &amp; GENERAL EXPENSES</b>		
Legal & Professional Charges	79.01	82.77
Salaries (Including HRA, Bonus & Leave Encashment)	948.94	699.53
Contribution to Gratuity, Provident Fund & ESI	90.19	29.83
Staff Welfare Expenses	10.77	7.73
Conveyance Expenses	1.74	3.58
Miscellaneous Expenses	40.88	30.39
Postage & Telegramme Expenses	6.20	7.30
Telephone Expenses	25.05	39.18
Printing & Stationary Expenses	18.03	15.57
Filing Fees	0.37	0.25
Licence Fees	3.68	2.12
Insurance	69.20	66.49
Rent, Rates & Taxes	3.26	1.72
Repair & Maintenance Expenses	2.55	4.00
Office Maintenance Expenses	8.92	7.02
Membership & Subscription	2.30	1.34
Vehicle Running & Maintenance Expenses	10.84	23.00
Security Charges	17.08	13.93
Exchange Rate Fluctuation	(143.23)	(166.64)
Donation	4.81	3.30
TDS (Including Interest)	0.03	0.13
Scooter Running & Maintenance Expenses	1.84	3.96
Directors' Meeting Fee	3.20	2.70
Professional Tax	1.89	0.07
Auditors Remuneration	6.40	7.06
Fine & Penalties	1.01	9.77
Computer Running & Maintenance Expenses	20.73	13.05
Generator Repair & Maintenance Expenses	3.58	0.69
Electricity & Water Charges	9.72	8.28
Books & Periodicals	0.49	0.99
Prior Period Expenses	3.00	2.71
Additional Sales Tax	1.85	2.75
Rent	78.60	53.28
Petty Balances Written Off/ Round On /Off	(1.36)	(0.10)
ISO Expenses	1.02	0.93
<b>TOTAL</b>	<b>1,332.59</b>	<b>978.68</b>
<b>SCHEDULE-23 : FINANCIAL CHARGES</b>		
Bank Charges	149.37	88.53
Interest on CC Limits & Buyer's Credit & Demand Loan	66.28	143.28
Interest (Others)	13.72	10.98
Interest on Term Loans	12.59	7.79
Interest on Unsecured Loans	0.07	1.10
<b>TOTAL</b>	<b>242.03</b>	<b>251.68</b>

**SCHEDULE-24 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011.****Significant Accounting Policies****ACCOUNTING CONVENTION**

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

**USE OF ESTIMATES**

The preparation of financial statements requires certain assumptions and estimates to be made that affect the reported amount of assets & liabilities on the date of Financial Statements and the reported amount of Expenses and Income during the reporting period. Difference between the estimates and actual results are recognized in the period in which the results are materialized.

**1. FIXED ASSETS**

- a. Fixed Assets are stated at cost net of Cenvat /Value Added Tax and includes all attributable cost for bringing the assets to its working condition for its intended use less accumulated depreciation.
- b. All costs / expenses incurred relating to project prior to commencement of commercial production have been allocated / attributed to the cost of fixed assets.

**2. DEPRECIATION**

Depreciation on Fixed Assets has been provided on Straight Line Method as per the classification, rates and manner prescribed in Schedule XIV of the Companies Act, 1956 as amended up to date. Depreciation on assets acquired/disposed off during the year has been provided on Pro-rata basis with reference to the date of use/addition/disposal.

**3. INVESTMENTS**

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

**4. PURCHASES**

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

**5. TURNOVER**

Turnover includes Sale of Goods & Excise Duty. (Net of Sales Returns, Sales Tax/Value Added Tax)

**6. FOREIGN CURRENCY TRANSACTIONS**

- a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b. Current Assets and Current Liabilities are translated at the year end rate except transactions covered under Forward Cover.
- c. Any Gain or Loss on account of exchange difference either on settlement or on translation is being debited and/or credited to Profit & Loss Account under the captioned head "Exchange Rate Fluctuation". Similarly, where they relate to acquisition of fixed assets, they are being adjusted to the carrying cost of such assets.

**7. RETIREMENT BENEFITS**

- a) Contribution to provident fund and family pension fund are accounted for on accrual basis.
- b) Leave Encashment Benefits are accounted for on cash basis.
- c) The Company has Gratuity Fund covered by the scheme with LIC of India. However, the same has been provided during the year on the basis of an actuarial valuation based on projected unit credit method made after the end of the financial year.

**8. IMPAIRMENT OF ASSETS**

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

**9. EXCISE DUTY**

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

**10. INVENTORIES**
**Inventories are valued as under:**

(a) FINISHED GOODS (Manufactured Goods)	Cost of Production or Net Realizable Value whichever is lower
(b) RAW MATERIAL & CONSUMABLE GOODS	At Cost or Market Price, whichever is lower (On Weighted Average Basis)
(c) OTHER INVENTORIES	Packing Material etc. are valued at cost (On Weighted Average Basis)
(d) SEMI FINISHED GOODS	At Weighted Average Cost
(e) TRADED GOODS	At Cost (On Weighted Average Basis)
(f) STORES & SPARES AND FUEL	At Cost (On Weighted Average Basis)

**Notes:** 1. The Valuation of Stocks are inclusive of taxes/ duties incurred as required by Section 145A of the Income Tax Act, 1961  
 2. The Company has started working on SAP Accounting Package/ Software during current year and as such there is a change in the basis of working of valuation of inventories. However, this has no effect on the profits of the year under review.

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

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

13. The Bonus is accounted for on accrual basis.

14. The Company has already initiated the process and entitled for subsidy on account of certain revenue and capital nature of expenditures incurred at Samba Unit (Jammu & Kashmir) in earlier years as well as during the year. The same shall be accounted for on cash/acceptance basis as under :

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

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

15. The Remuneration/Sitting Fee paid to the Directors for the year under consideration are as under:

S. No.	Name of Directors	Remuneration (₹ in Lacs)	Sitting Fee (₹ in Lacs)
1.	Sh, Hari Chand Aggarwal	25.07	-
2.	Sh. Rajesh Aggarwal	25.07	-
3.	Sh. Sanjeev Bansal	5.47	-
4.	Sh. Rajender Pershad Gupta	-	0.50
5.	Sh. Navneet Goel	-	0.70
6.	Sh. Gopal Chandra Agarwal	-	0.70
7.	Sh. Anil Kumar Singh	-	0.70
8.	Sh. Navin Shah	-	0.60

**16. PROVISION FOR CURRENT TAX**

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

Provision for Wealth Tax is made after availing Exemptions & Deductions at the rates applicable under the Wealth Tax Act, 1957 for the year under consideration.

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

17. All the common expenses incurred during the year under consideration, in respect of Chopanki and Samba Units has been allocated at the year end in the proportion to Sales (Net) effected during the whole year. The Technical (Product) Unit at Chopanki is a separate as well as independent unit having no common activities if compared with Formulation Units at Chopanki and Samba and as such no expenses incurred by branches/ other units have been allocated to the Technical Unit except common expenses incurred and debited at Head Office in proportion to Sales (Net) effected by all the Three Units.

## 18. SEGMENT REPORTING

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

### A. PRIMARY SEGMENT

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

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

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

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

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

#### Primary Segment Information

(₹ In Lacs)

Description	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue(Sales/Income)</b>										
a) External Sales	42807.43	35906.33	4982.78	3780.48	-	-	-	-	47790.21	39686.81
b) Inter Segmental Sales	-	-	3908.15	8007.77	-	-	3908.15	8007.77	-	-
<b>Gross Sales</b>	<b>42807.43</b>	<b>35906.33</b>	<b>8890.93</b>	<b>11788.25</b>	<b>-</b>	<b>-</b>	<b>3908.15</b>	<b>8007.77</b>	<b>47790.21</b>	<b>39686.81</b>
<b>Segment Result</b>										
Operating Profit before Interest and Taxes	-	-	-	-	4357.72	3423.45	-	-	4357.72	3423.45
Less : Interest Expenses	-	-	-	-	242.03	251.68	-	-	242.03	251.68
Add : Profit on Sale of Investment	-	-	-	-	2.49	-	-	-	2.49	-
Add : Dividend Income	-	-	-	-	5.00	25.54	-	-	5.00	25.54
Add : Interest Income	-	-	-	-	2.93	84.55	-	-	2.93	84.55
Profit Before Tax	-	-	-	-	4126.11	3281.86	-	-	4126.11	3281.86
Current Tax	-	-	-	-	860.00	434.00	-	-	860.00	434.00
Deferred Tax	-	-	-	-	36.81	27.52	-	-	36.81	27.52
Wealth Tax	-	-	-	-	1.25	-	-	-	1.25	-
Provision for Taxes of Earlier Year	-	-	-	-	6.44	(1.35)	-	-	6.44	(1.35)
<b>Profit After Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3221.61</b>	<b>2821.69</b>	<b>-</b>	<b>-</b>	<b>3221.61</b>	<b>2821.69</b>
<b>Other Information</b>										
Segment Assets	-	-	-	-	-	-	-	-	33998.16	26362.88
Segment Liabilities	-	-	-	-	-	-	-	-	14863.59	11745.27
Capital Expenditure	760.84	743.03	14.57	72.57	5165.30	-	-	-	5940.71	815.60
Depreciation	115.05	82.77	37.91	37.24	-	-	-	-	152.96	120.01
Non-Cash Expenditure	15.43	29.24	8.48	8.48	-	-	-	-	23.91	37.72

### B. SECONDARY SEGMENT

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

**19. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**20. PROPOSED DIVIDEND**

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

**21. RESEARCH & DEVELOPMENT**

Revenue Expenditure on Research & Development is recognized as expense in the year in which it is incurred and the expenditure on Capital Assets is depreciated on Straight Line Method as per the classification, rates and manner prescribed in Schedule XIV of the Companies Act, 1956 as amended up to date.

**22. REVENUE RECOGNITION**

Revenue recognition is postponed to a later date, only when it is not possible to estimate it with reasonable accuracy.

**23. BORROWING COSTS**

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

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

**NOTES TO THE ACCOUNTS**
**1. CONTINGENT LIABILITIES**

S. No.	Particular	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
(a)	Letter of Credits	<b>2871.88</b>	2827.41
(b)	Bank Guarantee	<b>NIL</b>	18.46
(c)	Excise matter with Appellate Authority, New Delhi (Period Covered – March, 2002 to October, 2002)	<b>75.67</b>	75.67
(d)	Excise matter with Appellate Authority, New Delhi (Period Covered – September, 2004 to August, 2007)	<b>16.72</b>	161.72

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

With respect to contingent liabilities reported at 1 (c) & (d) above, the management has taken an opinion from the legal advisors / professional engaged by them and is very much hopeful that the appeals will be decided in the favour of the Company and as such, no provision thereof has been made.

- The Previous Year Figures have been reworked , regrouped , rearranged, reclassified and / or recasted wherever deemed necessary to make them comparable with those of the Current Year's Figures.
- In the opinion of the Board of Directors of the Company, the current assets, loans and advances have the value at least equal to the figures stated in the Balance Sheet on realization in the ordinary course of business and provision for all determinable/ known liabilities have been made in the Accounts when reliable estimates can be made of the amount of obligation.
- The Company has valued inventories as required under AS-2 issued by The Institute of Chartered Accountants of India except the taxes / duties recoverable has been included in the valuation of stocks as per the past practice.
- The prior period expenses debited to profit & loss account during the year amounting to ₹ 3.00 lacs (Previous Year ₹ 2.71 lacs)
- The total amount payable to Small Scale Industries (SSI) outstanding for more than 30 days as at March 31, 2011 is ₹ 188.75 lacs (Previous Year- ₹ 256.36 lacs).
- The Company has not received any confirmation from suppliers regarding their status of registration under the Micro, Small & Medium Enterprises Development Act, 2006 which came into effect from October 2, 2006 and hence disclosure required under the said act have not been given.
- Estimated amount of contract remaining to be executed on capital accounts (net of advances) and not provided for ₹ 964 lacs (Previous year ₹ 1132 lacs).

9. In compliance to AS 18 issued by The Institute of Chartered Accountants of India, the Disclosure of Transactions with Related Parties as defined in Accounting Standard (Excluding Reimbursements) are given herein below:

**RELATED PARTIES****A. Key Management Personnel & Directors :**

- |                              |                               |
|------------------------------|-------------------------------|
| 1. Sh. Hari Chand Aggarwal   | 2. Sh. Rajesh Aggarwal        |
| 3. Sh. Sanjeev Bansal        | 4. Sh. Navneet Goel           |
| 5. Sh. Gopal Chandra Agarwal | 6. Sh. Rajender Pershad Gupta |
| 7. Sh. Navin Shah            | 8. Sh. Anil Kumar Singh       |

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

- |                                 |                   |
|---------------------------------|-------------------|
| 1. Paras Agro Industries        | Associate Firm    |
| 2. ISEC Organics Limited        | Associate Company |
| 3. Evergreen Mineral Industries | Associate Firm    |
| 4. Sabarmati Agri Chem          | Associate Firm    |

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

(₹ In Lacs)

S. No.	Name of Related Parties	Relationship	Nature of Transaction	Amount
1	Sh. Hari Chand Aggarwal	Chairman	Directors Remuneration	25.07
2	Sh. Rajesh Aggarwal	Managing Director	Directors Remuneration	25.07
3	Sanjeev Bansal	Whole-time Director	Interest Paid	5.47
4	Sanjeev Bansal(HUF)	(Director is a Karta)	Interest Paid	0.01
5	Sh. Rajender Pershad Gupta	Director	Sitting Fee	0.50
6	Sh. Navneet Goel	Director	Sitting Fee	0.70
7	Sh. Gopal Chandra Agarwal	Director	Sitting Fee	0.70
8	Sh. Anil Kumar Singh	Director	Sitting Fee	0.70
9	Sh. Navin Shah	Director	Sitting Fee	0.60
10	ISEC Organics Limited	Associate Company	Rent	26.47
11	Paras Agro Industries	Associate Firm	Purchases	126.29
12	Evergreen Mineral Industries	Associate Firm	Purchases	205.53
13	Sabarmati Agri Chem	Associate Firm	Purchases	14.64

10. The Balances shown under the head Sundry Debtors and Sundry Creditors are subject to confirmation and reconciliations. However, the Company has initiated the process of obtaining confirmations from sundry debtors & creditors.

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

Particular	Current Year	Previous Year
Profit after Taxation	₹ 3221.61 lacs	₹ 2821.69 lacs
Weighted Average Number of Equity Shares	12682966	12682966
Earning Per Share (Basic & Diluted)	₹ 25.40	₹ 22.25
Face Value Per Share	₹ 10	₹ 10

**12. Deferred Tax Liabilities arising on account of timing difference are :**

(₹ In Lacs)

Particular	Current Year	Previous Year
<b>Deferred Tax Assets</b>	<b>NIL</b>	<b>NIL</b>
Deferred Tax Liabilities ( Related to Depreciation)	<b>204.92</b>	168.11
<b>Deferred Tax Liabilities</b>		
At The End of The Year	<b>204.92</b>	168.11
For The Year	<b>36.81</b>	27.52

**13. Auditor's Remuneration : (Net of Service Tax)**

(₹ In Lacs)

Particular	Current Year	Previous Year
(a) As Auditors	<b>4.40</b>	4.40
(b) Tax Audit Fees	<b>1.00</b>	1.00
(c) In Other Capacity ( Taxation & Other Matters)	<b>1.00</b>	1.00
<b>TOTAL</b>	<b>6.40</b>	6.40

**14. Remittance in Foreign Currency on account of Dividend : NIL**
**15. EMPLOYEE BENEFITS**
**A. RETIREMENT BENEFITS**

- Retirement Benefits in the form of Provident Fund / Family Pension Fund , which are defined contribution plans, are accounted for on accrual basis and charged to the Profit & Loss Account of the year.
- Retirement Benefits in the form of Leave Encashment, which is defined benefit plan, is accounted for on cash basis every year and charged to the Profit & Loss Account of the year.
- Retirement Benefits in the form of Gratuity, which is defined benefit plan, is determined and accounted for on the basis of an actuarial valuation done by applying the Projected Unit Credit Method.
- The Actuarial Gains / Losses arising during the year are recognized in the Profit & Loss Account of the year.

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

**Gratuity Liability**

	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
<b>I. Assumptions</b>		
Discount Rate	<b>8.25%</b>	8.25%
Rate of Return on Plan Assets	<b>8.25%</b>	8.25%
Salary Escalation	<b>5.00%</b>	5.00%
Attrition Rate	<b>2.00% Age Related</b>	1.00% Age Related
<b>II. Change in the Present Value of Defined Benefit Obligation</b>		
Liability at the beginning of the year	<b>46.08</b>	33.55
Interest Cost	<b>3.80</b>	2.60
Current Service Cost	<b>9.18</b>	7.72
Benefit Paid	<b>(0.32)</b>	(0.59)
Actuarial (Gain)/Loss on obligations		
Liability at the end of the year	<b>78.69</b>	46.08

	Current Year (₹ In Lacs)	Previous Year (₹ In Lacs)
<b>III. Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	56.66	36.86
Expected Return on Plan Assets	4.67	2.86
Contributions by Employer	38.96	16.19
Benefit Paid	(0.32)	(0.59)
Actuarial Gain/(Loss) on Plan Assets	1.35	1.34
Fair Value of Plan Assets at the end of the year	101.34	56.66
Total Actuarial Gain/(Loss) to be Recognized	(18.59)	(1.45)
<b>IV. Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	4.67	2.86
Actuarial Gain/(Loss) on Plan Assets	1.35	1.34
Actual Return on Plan Assets	6.03	4.20
<b>V. Amount Recognized in the Balance Sheet</b>		
Liability at the end of the year	78.69	46.08
Fair Value of Plan Assets at the end of the year	101.34	56.66
Difference	(22.64)	(10.58)
Unrecognized Past Service Cost	—	—
Amount Recognized in the Balance Sheet	(22.64)	(10.58)
<b>VI. Expenses Recognized in the Profit &amp; Loss Statement</b>		
Current Service Cost	9.18	7.72
Interest Cost	3.80	2.60
Expected Return on Plan Asset	(4.67)	(2.86)
Actuarial (Gain) or Loss	18.59	1.45
Expenses Recognized in Profit & Loss Account	26.90	8.92
<b>VII. Balance Sheet Reconciliation</b>		
Opening Net Liability	(10.58)	(3.31)
Expense Recognized in Profit & Loss Account	26.90	8.92
Employers Contribution	(38.96)	(16.19)
Amount Recognized in Balance Sheet	(22.64)	(10.58)
<b>VIII. Category of Assets</b>		
Insurer Managed Funds	101.34	56.66
<b>Total</b>	<b>101.34</b>	<b>56.66</b>

INVESTMENT DETAILS OF PLAN ASSETS

: 100 % OF THE PLAN ASSETS ARE WITH INSURANCE CO.

**B.** Short Term Employees Benefits are recognized as an expense in Profit & loss Account of year in which the related Service is rendered.

#### 16. CHANGE IN ACCOUNTING POLICY

During the current year, the Company has started considering the valuation of inventories of stores & spares and fuel on the basis of weighted average cost method. Up to the previous year ended on March 31, 2010, the Company has been treating stores & spares and fuel purchased as consumed and no closing stock at the end of year was taken and considered in the final accounts. Due to the above change, the inventories at the end year has increased by a sum of ₹ 3.34 lacs and consequently the profit of the company for the current year has increased by a sum of ₹ 3.34 lacs However, this has no material impact on the overall profits of the company and therefore not disclosed as exceptional item

17. Additional information pursuant to provision under paragraph 3,4C and 4D of the Part-II of Schedule VI of the Companies Act, 1956 (As Certified by the Management)

I. LICENSED CAPACITY 2010-11  
N.A. 2009-10  
N.A.

II. INSTALLED CAPACITY  
 (As Certified by the Management)

ITEM	Unit	Current Year Quantity	Previous Year Quantity
EC	LTR.	<b>114.50 LACS</b>	114.50 LACS
WDP	KGS.	<b>66.00 LACS</b>	66.00 LACS
GRANULES	KGS.	<b>136.00 LACS</b>	136.00 LACS
TECHNICALS	KGS.	<b>38.00 LACS</b>	38.00 LACS

III. ACTUAL PRODUCTION

ITEM	Unit	Current Year Quantity	Previous Year Quantity
EC	LTR.	<b>102.74 LACS</b>	77.68 LACS
WDP	KGS.	<b>61.79 LACS</b>	43.92 LACS
GRANULES	KGS.	<b>153.18 LACS</b>	143.83 LACS
TECHNICALS	KGS.	<b>20.87 LACS</b>	21.91 LACS

**Notes :** 1. The quantity of granules includes 32.66 Lacs Kgs. being produced through contractors on job work basis.  
 2. The quantity of Technical's includes 14.13 Lacs Kgs. (Previous Year – 13.04 Lacs Kgs.) being produced for the purpose of in house consumption.

IV. PURCHASES (TRADING GOODS)

ITEM	Unit	Current Year		Previous Year	
		Quantity	Value (₹ In Lacs)	Quantity	Value (₹ In Lacs)
EC	LTR.	2.33 LACS	753.62	1.46 LACS	923.11
WDP	KGS.	8.69 LACS	206.34	0.05 LACS	120.87
GRANULES	KGS.	31.35 LACS	966.80	18.07 LACS	684.97
<b>TOTAL</b>			<b>1926.76</b>		1728.95

**Note :** The above purchases are net of leakage/breakage/ shortages etc.

V. TURNOVER/SALES (The value is inclusive of Excise Duty)

A. FINISHED GOODS (Manufactured)

ITEM	Unit	Current Year		Previous Year	
		Quantity	Value (₹ In Lacs)	Quantity	Value (₹ In Lacs)
EC	LTR.	<b>104.76 LACS</b>	<b>22316.85</b>	72.21 LACS	16361.77
WDP	KGS.	<b>57.13 LACS</b>	<b>8727.98</b>	45.96 LACS	7155.33
GRANULES	KGS.	<b>152.24 LACS</b>	<b>9057.13</b>	150.45 LACS	10684.16
TECHNICALS	KGS.	<b>8.15 LACS</b>	<b>4982.78</b>	8.28 LACS	3780.48
<b>TOTAL</b>			<b>45084.74</b>		37981.74

**B. FINISHED GOODS (TRADED)/OTHER GOODS**

ITEM	Unit	Current Year		Previous Year	
		Quantity	Value (₹ In Lacs)	Quantity	Value (₹ In Lacs)
EC	LTR.	1.90 LACS	1141.31	1.29 LACS	797.76
WDP	KGS.	7.63 LACS	178.05	0.03 LACS	74.36
GRANULES	KGS.	27.51 LACS	1095.40	17.58 LACS	819.77
COILS	NOS.	-	-	0.10 LACS	0.55
Raw Materials & Packing Materials			290.71		12.63
<b>TOTAL</b>			<b>2705.47</b>		1705.07

**VI. PARTICULARS IN RESPECT OF OPENING & CLOSING STOCK****A. FINISHED GOODS (MANUFACTURED)**

ITEM	Unit	Closing stock as on 31.03.2011		Opening stock as on 01.04.2010	
		Quantity	Value (₹ In Lacs)	Quantity	Value (₹ In Lacs)
EC	LTR.	16.16 LACS	3434.21	18.17 LACS	2882.81
WDP	KGS.	13.84 LACS	1171.80	9.18 LACS	1005.45
GRANULES	KGS.	16.55 LACS	842.83	15.61 LACS	661.37
TECHNICALS	KGS.	1.03 LACS	566.45	2.43 LACS	1030.89
<b>TOTAL</b>			<b>6015.29</b>		5580.52

**B. FINISHED GOODS (TRADED)**

ITEM	Unit	Closing stock as on 31.03.2011		Opening stock as on 01.04.2010	
		Quantity	Value (₹ In Lacs)	Quantity	Value (₹ In Lacs)
EC	LTR.	1.03 LACS	370.55	0.60 LACS	278.37
WDP	KGS.	1.08 LACS	85.04	0.02 LACS	51.21
GRANULES	KGS.	5.43 LACS	434.93	1.59 LACS	116.58
<b>TOTAL</b>			<b>890.52</b>		446.16

**VII.** The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O.301 (E) dated 8th February, 2011 issued under Section 211(3) of the Companies Act, 1956 has exempted certain class of companies from disclosing certain information in their profit & loss account. The Company being a 'Manufacturing Company' is entitled to exemption. Accordingly, disclosures required by paragraph 3(i) (a) & 3(ii) (a) of Part II of Schedule VI of the Companies Act, 1956 have not been given by the Company in respect of those goods which form less than 10% of total value of turnover, purchase, consumption of raw material etc.

**VIII. VALUE OF IMPORTED RAW MATERIALS, PACKING MATERIALS & COSUMABLE STORES CONSUMED AND VALUE OF ALL INDIGENOUS RAW MATERIALS, PACKING MATERIALS & COSUMABLE STORES SIMILARLY CONSUMED AND PERCENTAGE OF EACH TO THE TOTAL CONSUMPTION CLASS OF GOODS****A. RAW MATERIAL CONSUMED**

Class of Goods	Current Year		Previous Year	
	Amount (₹ In Lacs)	Percentage	Amount (₹ In Lacs)	Percentage
Imported	6757.50	24.55	9652.36	40.83
Indigenous	20771.48	75.45	13986.82	59.17
<b>TOTAL</b>	<b>27528.98</b>	<b>100.00</b>	23639.18	100.00

**B. PACKING MATERIALS & COSUMABLE STORES CONSUMED**

Class of Goods	Current Year		Previous Year	
	Amount (₹ In Lacs)	Percentage	Amount (₹ In Lacs)	Percentage
Imported	—	—	—	—
Indigenous	3151.41	100.00	2771.32	100.00
<b>TOTAL</b>	<b>3151.41</b>	<b>100.00</b>	<b>2771.32</b>	<b>100.00</b>

**C. RAW MATERIAL, PACKING MATERIALS & COSUMABLE STORES CONSUMED**

Class of Goods	Current Year		Previous Year	
	Amount (₹ In Lacs)	Percentage	Amount (₹ In Lacs)	Percentage
Imported	6757.50	22.03	9652.36	36.55
Indigenous	23922.89	77.97	16758.14	63.45
<b>TOTAL</b>	<b>30680.39</b>	<b>100.00</b>	<b>26410.50</b>	<b>100.00</b>

**IX. VALUE OF IMPORTS ON CIF BASIS**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Materials	6710.07	7964.49
Machinery	57.03	NIL

**X. EXPENDITURE IN FOREIGN CURRENCY**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Materials	6710.07	7964.49
Tour & Travelling Expenses	3.87	5.80
Royalty	83.11	86.21
Interest	18.91	0.97

**XI. INCOME IN FOREIGN CURRENCY (FOB)**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Export Sales	35.90	79.07

As per our separate report of even date annexed herewith

FOR AND ON BEHALF OF THE BOARD

For **MOHIT PAREKH & COMPANY**  
Chartered Accountants

**(MOHIT A PAREKH)**  
Proprietor  
M.No.-81069  
Firm Regn. No. -002067N

Place : Delhi  
Date : May 30, 2011

**HARI CHAND AGGARWAL**  
Chairman (DIN-00577015)

**SANJEEV BANSAL**  
Whole-time Director  
(DIN-01102006)

**RAJESH AGGARWAL**  
Managing Director (DIN-00576872)

**PANKAJ GUPTA**  
Company Secretary

**INFORMATION PURSUANT OT PART IV OF THE COMPANIES ACT, 1956 (AS AMENDED)**
**I. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE DETAILS**

REGISTRATION NO.	55-83909	STATE CODE	55
CIN NO - L65991DL1996PLC083909		BALANCE SHEET DATE	31-03-2011

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000)**

PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000)**

<b>TOTAL LIABILITIES</b>	<b>1948374.70</b>	<b>TOTAL ASSETS</b>	<b>1948374.70</b>
<b>SOURCE OF FUNDS</b>		<b>APPLICATION OF FUNDS</b>	
PAID UP CAPITAL	126829.66	NET FIXED ASSETS	906281.95
RESERVE & SURPLUS	1420631.08	INVESTMENT	521.39
SECURED LOANS	380421.65	NET CURRENT ASSETS	1006653.51
UNSECURED LOANS	Nil	MIS. EXPENDITURE	34917.85
DEFERRED TAX LIABILITY	20492.31		

**IV. PERFORMANCE OF COMPANY AMOUNT (AMOUNT IN ₹ '000)**

TURNOVER (INCLUDING OTHER INCOME)	4780545.31
INCREASE(DECREASE) IN STOCKS	164197.36
TOTAL EXPENDITURE	4532131.93
PROFIT BEFORE TAX & EXCEPTIONAL ITEM	412610.74
PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEM	322160.58
EARNING PER SHARE BEFORE EXCEPTIONAL ITEM (IN ₹)	25.40
EARNING PER SHARE AFTER EXCEPTIONAL ITEM (IN ₹)	25.40
DIVIDEND RATE	25%

**V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)**

1. VICTOR (IMIDACHLOPRID 17.8% SL)
2. LETHAL (CHLORPYRIPHOS 20% E.C.)
3. THIMET(PHORATE 10% G)

FOR AND ON BEHALF OF THE BOARD

**HARI CHAND AGGARWAL**

 Chairman  
 (DIN-00577015)

**SANJEEV BANSAL**

 Whole-time Director  
 (DIN-01102006)

**RAJESH AGGARWAL**

 Managing Director  
 (DIN-00576872)

**PANKAJ GUPTA**

Company Secretary

Place : Delhi

Date : May 30, 2011

## Bonding with VIVID future



Insecticides (India) Limited believes that the immense potential of the Indian agriculture industry can be realized if we ensure a minimum difference between the potential and actual production.

With this vision we have established state of the art production facilities for production of a wide range of agro-chemicals. IIL has four production units situated at Rajasthan, J&K and Gujarat. These high-tech production facilities offer an integrated environment to ensure optimum performance levels and facilitate production of high quality liquid, granule and powder formulations. The plants have fully automated granule sections, automatic lines of WDP's and fully automatic liquid lines. A very stringent quality control policy is implemented and each and every product is checked at three QC levels before it reaches the customer.



Your company started its operation in technical production way back in the year 2007, which has given the advantage of backward integration. This plant with various streams is capable of producing a various number of technical which reflect the company's technical expertise. This has increased the efficiency, prominence and strategic advantages of the company so as to enable it to perform with competence in order to meet the changing demands of the consumer market.

View of Chopanki Plant



# Bonding with Growth



intention of taking this to commercial level, IIL R&D has joined hands with NDRC for the commercialization. This project will be funded up to about 40 % by NDRC along with getting the technical guidance of NDRC. It has been also applied for the Patent, for safe guarding the interest and efforts made by the company.

Our R&D team of highly proficient and qualified agro-chemical experts who had successfully developed 20 technical processes. We had already commercialized 12 processes and patent for 5 had been applied for. Our vision to reach the grass root is coming true and I feel proud to



"Getting the latest technology products at the most reasonable prices" is the motto of our Research and Development Wing. We, at Insecticides (India) Limited (IIL) invest significantly in the research and development for higher quality agriculture production. At IIL, we approach each challenge armed with our knowledge of agri-science & motivated by our commitment to increase crop yield. Recently our R&D center has also bagged NABL accreditation. IIL's R&D Centre has made a breakthrough and invented a new process for MNIO, which is an import substitute for manufacturing Thiamethoxam. with the



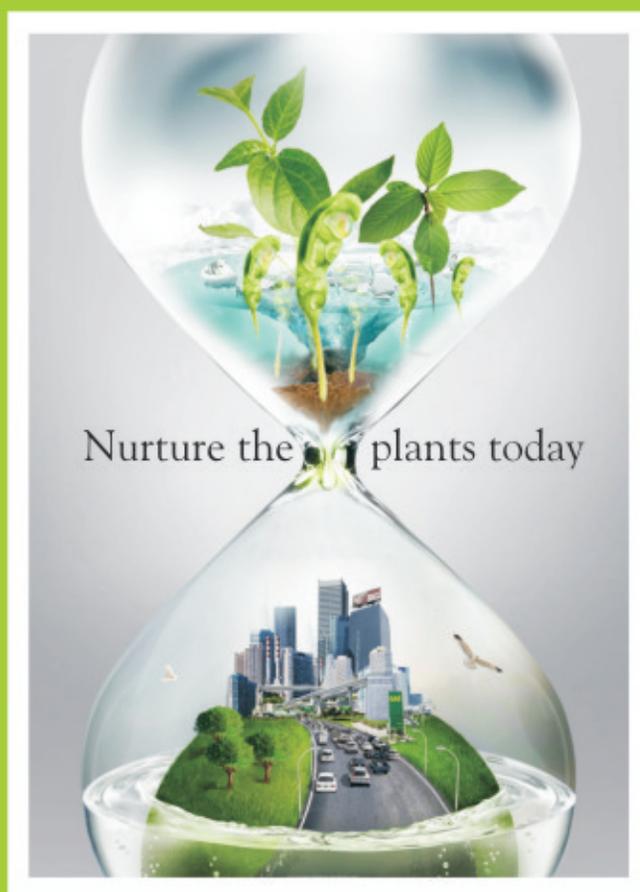
communicate that soon IIL R&D will bag international recognized GLP certification.



Ingrained in the soul of Insecticides (India) Limited is a drive to awaken in our employees, customers, as well as a larger society, a spirit of responsibility – to ourselves, our environment and to the future generations to come.

Insecticides (India) Limited's modern chemistry has helped even small and marginal farmers immensely in increasing their yield, thus making us a formidable player in the Indian agro-chemicals sector.

This has enabled us to build a strong emotional bond with the farming community across the country, with the wide acceptability of IIL's Tractor brand products.



For a healthy and sustainable future



**Insecticides:** • Lambdychalothrin • Acetamiprid • Imidacloprid • Thiamethoxam • Dichlorvos

**Herbicides:** • Glyphosate • Sulfosulfuron • Metsulfuron Methyl

**Fungicide:** • Thiophanate Methyl

**Household Insecticides:** • d-Trans Allethrin



**insecticides**  
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